

CITY OF LA VERGNE, TENNESSEE

Comprehensive Annual Financial Report

For the Year Ended June 30, 2015

Prepared by the Department of Finance

CITY OF LA VERGNE, TENNESSEE

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INTRODUCTORY SECTION



5093 Murfreesboro Road • LaVergne, TN 37086
Phone: (615) 793-6295 • Fax: (615) 793-6025

Web Page: www.LaVergneTN.gov

October 25, 2015

To the Honorable Mayor, Members of the Board, and Citizens of the City of LaVergne:

State law requires that all general-purpose local governments publish within six months of the close of each fiscal year a complete set of financial statements presented in conformity with generally accepted accounting principles (GAAP) and audited in accordance with generally accepted auditing standards by a firm of licensed certified public accountants. Pursuant to that requirement, I hereby issue the comprehensive annual financial report of the City of LaVergne for the fiscal year ended June 30, 2015.

This report consists of management's representations concerning the finances of the City of LaVergne. Consequently, management assumes full responsibility for the completeness and reliability of all of the information presented in this report. To provide a reasonable basis for making these representations, management of the City of LaVergne has established a comprehensive internal control framework that is designed both to protect the government's assets from loss, theft, or misuse and to compile sufficient reliable information for the preparation of the City of LaVergne's financial statements in conformity with GAAP. Because the cost of internal controls should not outweigh their benefits, the City of LaVergne's comprehensive framework of internal controls has been designed to provide reasonable rather than absolute assurance that the financial statements will be free from material misstatement. As management, I assert that, to the best of my knowledge and belief, this financial report is complete and reliable in all material respects.

The City of LaVergne's financial statements have been audited by Yeary, Howell & Associates, a firm of licensed certified public accountants. The goal of the independent audit was to provide reasonable assurance that the financial statements of the City of LaVergne for the fiscal year ended June 30, 2015 are free of material misstatement. The independent audit involved examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements; assessing the accounting principles used and significant estimates made by management; and evaluating the overall financial statement presentation. The independent auditor concluded, based upon the audit, that there was a reasonable basis for rendering an unqualified opinion that the City of LaVergne's financial statements for the fiscal year ended June 30, 2015 are fairly presented in conformity with GAAP. The independent auditor's report is presented as the first component of the financial section of this report.

GAAP require that management provide a narrative introduction, overview, and analysis to accompany the basic financial statements in the form of Management's Discussion and Analysis (MD&A). This letter of transmittal is designed to complement MD&A and should be read in conjunction with it. The City of LaVergne's MD&A can be found beginning on page 3, immediately following the report of the independent auditors.

Profile of the Government

The City of LaVergne is in Rutherford County, borders Metro-Davidson County, and is centrally located in Middle Tennessee. This places LaVergne strategically within a day's drive from approximately 70% of the population of the United States. With the advent of on-demand-delivery in all aspects of business and industry, LaVergne is positioned to have continued industrial, distribution, publishing, and commercial growth for the foreseeable future.

LaVergne was first incorporated February 28, 1861, but the incorporation was rescinded in 1881, because – since the Civil War – no city officials had been elected and there weren't enough adults to let the town organize a Board of Mayor and Aldermen and town constitution. The City of LaVergne, re-incorporated in 1972, is a general law charter municipality. City government is conducted under the mayor-alderman system. The Board of Mayor and Aldermen is comprised of five (5) members. The mayor serves a four-year term and is elected at large. The aldermen are elected for staggered four-year terms. They are also elected at large.

The City of LaVergne provides a full range of services, including police protection; contract fire protection; the construction and maintenance of highways, streets and infrastructure improvements; planning and zoning, health and social services, culture, parks and recreational activities; public library, and general administrative services. In addition to general governmental activities, the City operates the water and sewer fund, including a water treatment plant.

The Mayor/Alderman reviews the budget requests of the areas with department heads and city administrator annually. The final budget is presented to the Mayor/Alderman meeting for their final approval. Two readings are required.

The City of LaVergne maintains budgetary control designed to ensure compliance with legal provisions embodied in the annual appropriated budget approved by the City's governing body. Activities of the general fund, special revenue funds, and capital project funds are included in the annual appropriated budget.

Budget-to-actual comparisons are provided in this report for each individual governmental fund for which an appropriated annual budget has been adopted. For the general fund this comparison is presented on pages 20-25. As part of the supplementary information the highway and streets fund comparison is presented on page 53. For governmental funds which are not considered major funds, the

appropriated annual budget comparisons are presented in the combined individual fund subsection of this report, which starts on page 46.

Factors Affecting Financial Condition

The information presented in the financial statements is perhaps best understood when it is considered from the broader perspective of the specific environment within which the City of LaVergne operates.

Local Economy. LaVergne is one of the fastest growing communities in the state as well as the country. From 1990-2014, the City grew from 7,499 to approximately 36,242 which is an increase of 483%. With the largest industrial park and the largest subdivision in the state, LaVergne is home to two of Rutherford County's top ten employers and business is slightly above satisfactory even with today's economy.

Rutherford County's retail trade base is made up of over 350,000 people. It has developed into a retail center attracting shoppers from a 10-county region. Part of the reason for this phenomenal growth is the close location to major interstates — Interstate 24 runs directly through LaVergne and Interstates 65, 840 and 40 are within 15 miles — as well as the availability of major city resources in nearby Nashville, Smyrna, and Murfreesboro. The northernmost city in Rutherford County, LaVergne is proud to be the home to international companies such as Bridgestone, Ingram Distribution, Schneider Electric, Ajax-Turner, Cardinal Health, Quality Industries, Venture Express, Saks, Parthenon Metal Works, SVP Worldwide, and more.

The numerous employment opportunities, combined with a low city property tax rate (\$1 per \$100 of assessed value), have caused LaVergne to experience in-migration at over twice the national average. Residents have easy access to Percy Priest Lake and are just a few miles from pro football, pro hockey, Nashville International Airport, and two miles from the Smyrna Airport.

New and previously owned housing is available in the City which offers the amenities of grocery and convenience stores, restaurants, and other shopping outlets.

In addition, three elementary, one junior high and one high school provide quality education for all students. A number of local colleges and universities are located within 20 miles of LaVergne, including Middle Tennessee State University, Tennessee State University, Vanderbilt University, Belmont University, and David Lipscomb University. The local economy has consistently been healthier than the national economy. The City is committed to building a future in which economic growth and prosperity is balanced with a high quality of life for all of its citizens.

Long-Term Financial Planning. The City has numerous capital projects currently funded and under construction. Highways and Streets Capital Projects include: Widening of Nir Shrieberman near roundabout and a new turn lane at intersection of

Highway 41 and Nir Shreibman. Parks Capital Projects include: Hurricane Creek greenway project Phases II. Water and Sewer Capital Projects include: water line upgrades and extensions, storage tank upgrades, converting to electronic meters, and sewer pump station upgrades.

Relevant Financial Policies

The city's strives to maintain a year end general fund balance of approximately 25 to 30 percent of operating revenues. The 2014-15 year end general fund balance was approximately 45% of operating revenues.

The City has adopted a debt policy and policies and procedures for the administration of federally tax exempt debt obligations. This change was made by the Council as an effort to protect city assets and be in compliance with state and federal regulations.

Major Initiatives

The City of LaVergne has many projects underway in the water/sewer system area. Replacement of small diameter lines with larger diameter lines is an ongoing focus for the city. The city received a 97% sanitation rating on its last survey from the State of Tennessee Department of Environment and Conservation Division of Water Supply, which was done in 2015. This rating was up from the rating seven years ago at 75%. Several of our sewer pump stations have also been upgraded with newer pumps in an effort to provide the utmost in sewer related services. Funds for these improvements will come from excess water/sewer fund balance and bond issues.

The widening of Waldron Road completed in 2014 and the growing population for the City of La Vergne has sparked interest by several major developers.

The city implemented an increase in property taxes from \$.50 to \$1 per \$100 assessed value in 2010. This increase was necessary due to requirements for increasing fire protection, increase in police protection and debt service obligations. The city also implemented a water rate increase. The rate increase was necessary due to increased expenditures over the past several years where no rate increase has occurred. The last utility rate increase was in 1999. These increases allowed the city to meet its budget requirements for the year.

Improving safety for the citizens of LaVergne is also a focus for the city. A new police substation was opened in the Lake Forrest residential area a couple of years ago and is being utilized for the safety of citizens of La Vergne. Also, a new backup police dispatch center is now operating at an offsite facility. The city of LaVergne has also aligned itself with Rutherford County Emergency Services for disaster related events. Several cities in and around Rutherford County are currently being trained on handling disaster events. This training was instrumental during the floods in May 2010. The City

purchased a previously privately owned Fire Department in 2014.

Awards and Acknowledgements

The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the City of LaVergne for its comprehensive annual financial report for the fiscal year ended June 30, 2014. [This was the twentieth consecutive year that the government has received this prestigious award.] In order to be awarded a Certificate of Achievement, a government must publish an easily readable and efficiently organized comprehensive annual financial report. This report must satisfy both generally accepted accounting principles and applicable legal requirements.

A Certificate of Achievement is valid for a period of one year only. We believe that our current comprehensive annual financial report continues to meet the Certificate of Achievement Program's requirements and we are submitting it to the GFOA to determine its eligibility for another certificate.

The preparation of this report would not have been possible without the efficient and dedicated services of the entire staff of the finance department. I would also like to express my appreciation to all other department heads that assisted and contributed to the preparation of this report. Credit must also be given to the Board of Mayor and Aldermen for their unfailing support for maintaining the highest standards of professionalism in the management of the City of LaVergne's finances. The firm of Yeary, Howell & Associates was most helpful in reviewing the interpretations of financial presentation and disclosure requirements.

Respectfully submitted,



Phillis Rogers
Finance Director



Government Finance Officers Association

**Certificate of
Achievement
for Excellence
in Financial
Reporting**

Presented to

**City of La Vergne
Tennessee**

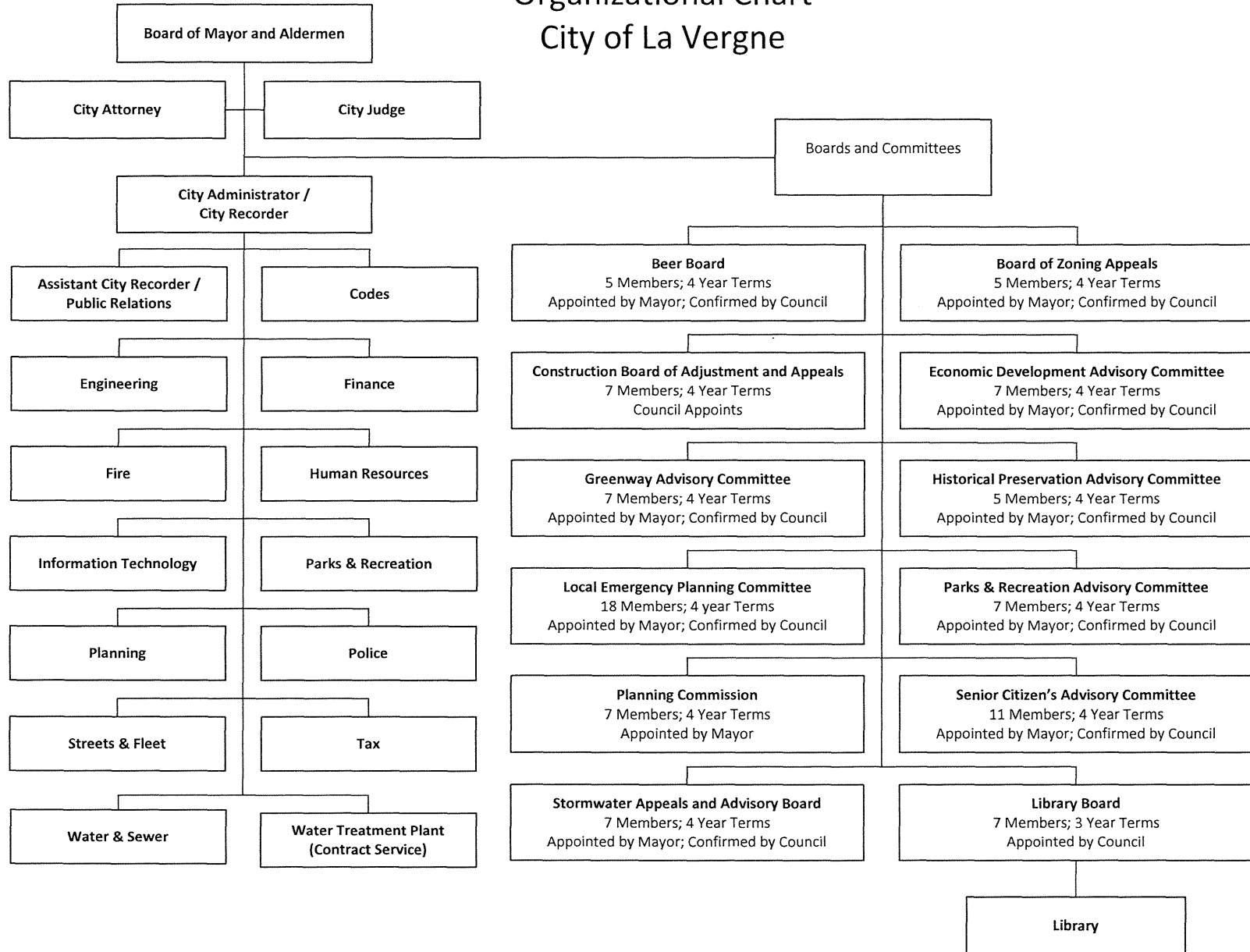
For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended

June 30, 2014



Executive Director/CEO

Organizational Chart City of La Vergne



CITY OF LA VERGNE, TENNESSEE

City Officials

2015

ELECTED OFFICIALS:

<u>Name</u>	<u>Title</u>
Dennis Waldron	Mayor
Sherry Green	Vice Mayor
Tom Broeker	Alderman
Melissa Brown	Alderman
Calvin Jones	Alderman

APPOINTED OFFICIALS:

Bruce Richardson	City Administrator
Edward Hiland	City Judge
Evan Cope	City Attorney
Phillis Rogers	Finance Director
Kathy Tyson	City Recorder/Public Relations
Mike Walker	Chief of Police
Mike Dietz	Public Works Director
Garlon Russell	Utilities Director
Evie Rutledge	Tax Collector
A C Davis	Parks and Recreation Director
Donna Bebout	Librarian
Cheryl Lewis Smith	H. R. Director
Kristin Costanzo	City Planner
Kyle Brown	City Engineer
Randolph Salyers	Codes Director
Katherine Green	Storm Water Engineer
Dennis Blair	Fire Inspector
Ricky McCormick	Fire Chief

FINANCIAL SECTION

YEARY, HOWELL & ASSOCIATES

Certified Public Accountants

501 EAST IRIS DRIVE
NASHVILLE, TN 37204-3109

HUBERT E. (BUDDY) YEARY
GREGORY V. HOWELL

(615) 385-1008
FAX (615) 385-1208

INDEPENDENT AUDITOR'S REPORT

Honorable Mayor and Board of Aldermen
City of La Vergne, Tennessee
La Vergne, Tennessee

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, the business - type activities, each major fund, and the aggregate remaining fund information of the City of La Vergne, Tennessee (the City), as of and for the year ended June 30, 2015, and the related notes to the financial statements which collectively comprise the City's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in Government Auditing Standards issued by the Comptroller of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control, relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of La Vergne, Tennessee as of June 30, 2015, and the respective changes in financial position and where applicable, cash flows thereof and the budgetary comparison for the General Fund for the year then ended, in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, pages 3 through 13, be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Honorable Mayor and Board of Aldermen
City of La Vergne
La Vergne, Tennessee

Other Information

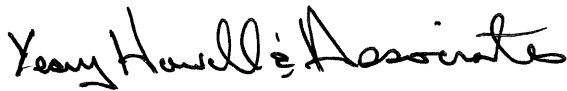
Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City of LaVergne's basic financial statements. The introductory section, combining and individual nonmajor fund statements and schedules, and statistical section are presented for the purpose of additional analysis and are not a required part of the basic financial statements.

The combining and individual nonmajor fund statements and schedules are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information, except those marked "unaudited", has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the combining and individual nonmajor fund statements and schedules, are fairly stated in all material respects in relation to the financial statements as a whole. The information marked as "unaudited" has not been subjected to the auditing procedures applied in the audit of the financial statements; and accordingly, we do not express an opinion or provide any assurance on it.

The introductory section and statistical section have not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we express no opinion or provide any assurance on them.

Other Reporting Required by Governmental Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated October 16, 2015 on our consideration of the City's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the City of LaVergne's internal control over financial reporting and compliance.



October 16, 2015

CITY OF LA VERGNE, TENNESSEE

Management's Discussion and Analysis

As management of the City of La Vergne, Tennessee (the City) we offer readers of the City's financial statements this narrative overview and analysis of the financial activities of the City for the fiscal year ended June 30, 2015. Comparative information for fiscal year 2014 and 2015 is presented in this discussion and analysis. The analysis focuses on significant financial position, budget changes and variances from the budget, and specific issues related to funds and the economic factors affecting the City.

Management's Discussion and Analysis (MD&A) focuses on current year activities and resulting changes. Please consider the information presented here in conjunction with our Letter of Transmittal (Page i-vi).

Financial Highlights:

The assets and deferred outflows of resources of the City of La Vergne exceeded its liabilities and deferred inflow of resources at the close of the most recent fiscal year by \$112,159,469 of this amount; \$21,098,391 (unrestricted net position) may be used to meet the government's ongoing obligations to citizens and creditors.

The governments total net position increased by \$5,809,861.

As of the close of the current fiscal year, the City's governmental funds reported combined ending fund balances of \$17,222,649 an increase of \$4,810,965 resulting from the current year operation. Approximately \$7,384,803 of that total is not available for spending at the government's discretion (non-spendable, restricted, and assigned.).

At the end of the current fiscal year, unassigned fund balance (spendable at the government's discretion) of the General Fund was \$9,837,846 or 45.4% of the total general fund expenditures.

The City's total debt (bonds, capital lease, capital outlay note, and other obligations) increased by \$3,017,009 (7.9%) during the current fiscal year.

Overview of the Financial Statements:

This discussion and analysis is intended to serve as an introduction to the City of La Vergne's basic financial statements. The City's basic financial statements comprise three components: (1) government-wide financial statements, (2) fund financial statements, and (3) notes to the financial statements. This report also contains other supplementary information in addition to the basic financial statements.

Government-wide financial statements. The government-wide financial statements are designed to provide readers with a broad overview of the City's finances, in a manner similar to a private-sector business.

The Statement of Net Position presents information on all of the City's assets, liabilities, deferred inflow and outflows of resources with the difference between the two reported as net

position. Over time, increases or decreases in net positions may serve as a useful indicator of whether the financial position of the City is improving or deteriorating.

The Statement of Activities presents information showing how the government's net positions changed during the most recent fiscal year. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of related cash flows. Thus, revenues and expenses are reported in this statement for some items that will only result in cash flows in future fiscal periods (e.g., uncollected tax and earned but unused vacation leave),

Both of the government-wide financial statements distinguish functions of the City that are principally supported by taxes and intergovernmental revenues (governmental activities) from other functions that are intended to recover all or a significant portion of their costs through user fees and charges (business-type activities). The governmental activities of the City of La Vergne include general government, police, fire, highway and streets, stormwater, health and welfare, recreation and library. The business-type activities of the City include water and sewer service operations. The governmental-type and business-type activities are allocated their respective portion of the self-insured medical insurance internal service fund.

The government-wide financial statements can be found on pages 14-15 of this report.

Fund financial statements. A Fund is a grouping of related accounts that is used to maintain control over resources that have been segregated from specific activities or objectives. The City of La Vergne, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. All of the funds of the City can be divided into three categories: governmental funds, proprietary funds and fiduciary funds.

Governmental Funds. Governmental Funds are funds used to account for essentially the same functions reported as governmental activities in the government-wide financial statements. However, unlike the government-wide financial statements, government fund financial statements focus on near-term inflows and outflows of spendable resources, as well as on balances of spendable resources available at the end of the fiscal year. Such information may be useful in evaluating a government's near-term financing requirements

Because the focus of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for governmental funds with similar information presented for governmental activities in the government-wide financial statements. By doing so, readers may better understand the long-term impact of the government's near-term financing decisions. Both the governmental fund balance sheet and the governmental fund statement of revenues, expenditures, and changes in fund balances provide a reconciliation to facilitate this comparison between governmental funds and governmental activities.

The City maintains ten individual governmental funds. Information is presented separately in the governmental fund balance sheet and in the governmental fund statement of revenues, expenditures, and changes in fund balances for the general fund, library, state street aid and highway and streets capital projects fund which are considered to be major funds. Data from the other six governmental funds are combined into a single, aggregated presentation. Individual fund data for each of these non-major governmental funds is provided in the form of combining statements on pages 44-45 in this report.

The City of La Vergne adopts an annual appropriated budget for all its governmental funds. Budgetary comparison statements have been provided to demonstrate compliance with this budget.

The basic governmental fund financial statements can be found on pages 16-19 of this report.

Proprietary Funds. The City of La Vergne maintains two types of proprietary funds. It uses an enterprise fund to report the same functions presented in the business-type activities in the government-wide financial statements. The City uses an enterprise fund to account for its water and sewer operations.

It uses an internal service fund to account for the activities in its self-insured medical insurance fund.

Proprietary funds provide the same type of information as the government-wide financial statements, only in more detail.

The basic proprietary fund financial statements can be found on pages 26-28 of this report.

Notes to the financial statements. The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes to the financial statements can be found on pages 29-43 of this report.

Required budgetary information. The required budgetary information provides budget comparison information for the special revenue funds. Non-major governmental fund budgetary schedules can be found on pages 46-53 of this report.

Financial Analysis of the Financial Statements

Government-wide Financial Analysis

As noted earlier, net position may serve over time as a useful indicator of a government's financial position. In the case of the City of La Vergne, assets exceeded liabilities and deferred inflow of resources by \$112,159,469 at the close of the most recent fiscal year.

By far the largest portion of the City's net position (74.6%) reflects its investment in capital assets (e.g., land, buildings, machinery, equipment, and infrastructure) plus bond proceeds on hand for restricted assets less any related debt used to acquire those assets that is still outstanding. The City uses these capital assets to provide services to citizens; consequently, these assets are not available for future spending. Although the City's investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

City of La Vergne's Net Position

	Governmental Activities		Business Activities		Total	
	June 30 2014	June 30 2015	June 30 2014	June 30 2015	June 30 2014	June 30 2015
			(ooo omitted)			
Current and other assets	\$23,336	\$27,112	\$19,533	\$19,848	\$42,869	\$46,960
Capital assets	65,546	68,042	47,912	48,982	113,458	117,024
Total assets	88,882	95,154	67,445	68,830	156,327	163,984
Deferred Outflows	124	147	137	239	261	386
Long-term liabilities outstanding	15,505	20,084	23,319	22,285	38,824	42,369
Other Liabilities	3,106	1,480	689	630	3,795	2,110
Total liabilities	18,611	21,564	24,008	22,915	42,619	44,479
Deferred Inflows	7,620	7,732			7,620	7,732
Net Position						
Net investment capital assets, net of related debt	50,473	48,466	35,441	35,216	85,914	83,682
Restricted	5,499	7,380	0	0	5,499	7,380
Unrestricted	6,804	10,159	8,132	10,939	14,936	21,098
Total net Position	*\$62,776	\$66,005	*\$43,573	\$46,155	\$106,349	\$112,160

* Restated per GASB 65 for debt issuance cost

A portion of the City's net position (6.58%) represents resources that are subject to external restrictions on how they may be used. The balance of unrestricted net position (\$21,098,391) may be used to meet the government's ongoing obligations to citizens and creditors.

At the end of the current fiscal year, the City is able to report positive balances in all three categories of net position, both for the government as a whole, as well as for its separate governmental and business-type activities.

The City of La Vergne's net position increased by \$5,809,861 during the current fiscal year. This increase is 5.2% percent of total net position.

Governmental Activities

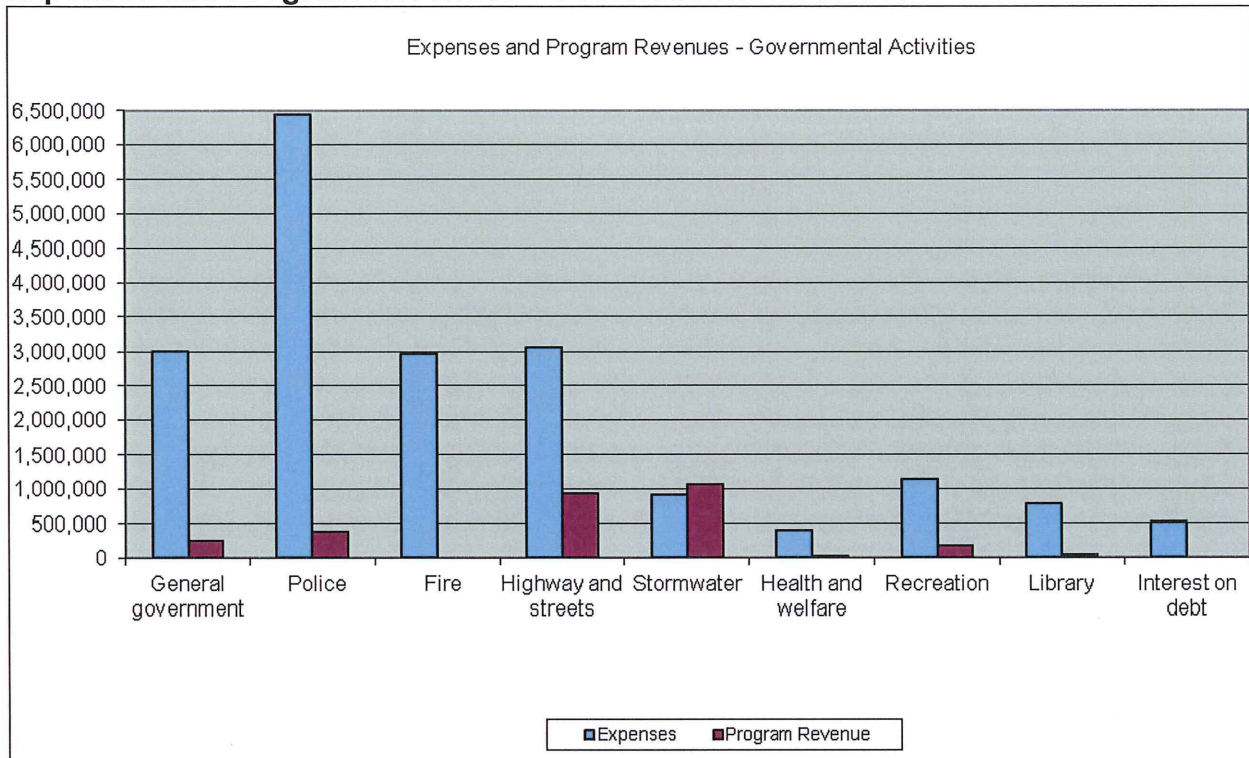
Governmental activities increased the City's net position by \$3,228,654 thereby accounting for 55.6% of the total increase in the net position of the City. The Business-type activities increased by \$2,581,207. These increases represent the degree to which decreases in expenses have not exceeded ongoing revenues for the current fiscal year.

**Financial Analysis of Financial
Statements
City of La Vergne's Change in Net
Position**

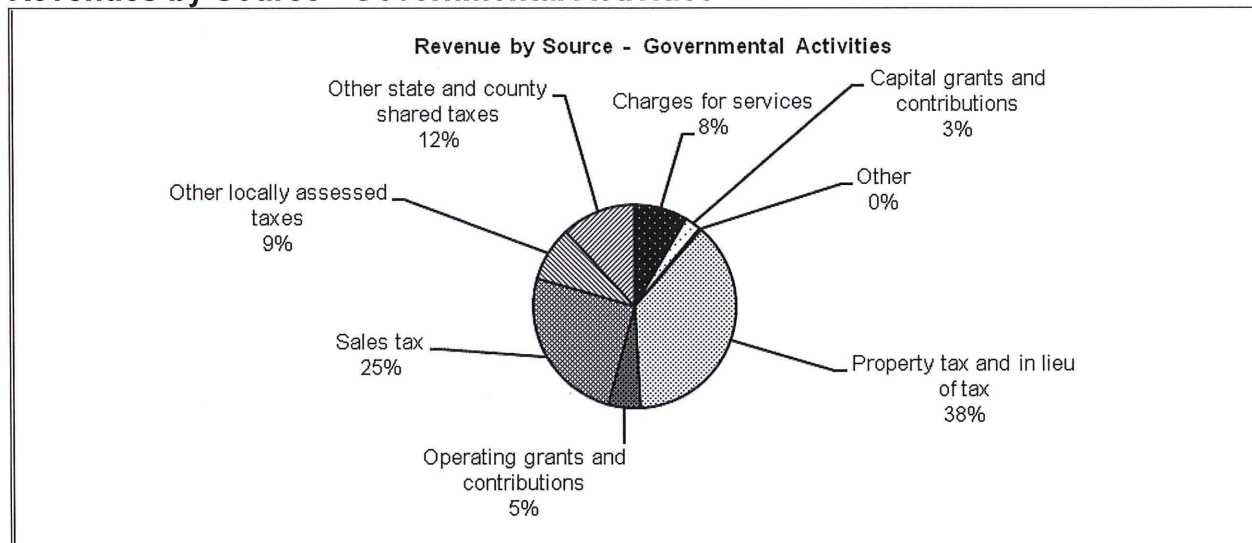
	Governmental Activities		Business-type Activities		Total	
	June 30 2014	June 30 2015	June 30 2014	June 30 2015	June 30 2014	June 30 2015
	(ooo omitted)					
Revenues:						
Program revenues:						
Charges for services	\$1,972	\$1,902	\$10,542	\$10,886	\$12,514	\$12,788
Operating grants and contributions	1,082	1,142			1,082	1,142
Capital grants and contributions	8,301	591	302	364	8,603	955
General revenues:						
Property tax and in lieu of tax	8,121	8,466			8,121	8,466
Sales taxes	4,553	5,640			4,553	5,640
Business taxes	610	959			610	959
Wholesale beer & liquor taxes	585	583			585	583
Franchise taxes	330	344			330	344
Other locally assessed taxes	62	67			62	67
Other state and county shared taxes	2,405	2,657			2,405	2,657
Unrestricted investment earnings and rental income	7	8	3	4	10	12
Gain on disposal of capital asset	5	0	20		25	0
Other	57	61			57	61
Total revenue	<u>28,090</u>	<u>22,420</u>	<u>10,867</u>	<u>11,254</u>	<u>38,957</u>	<u>33,674</u>
Expenses:						
General government	2,647	3,000			2,647	3,000
Public safety:						
Police	6,174	6,437			6,174	6,437
Fire	4,020	2,959			4,020	2,959
Highway and streets	3,441	3,058			3,441	3,058
Stormwater	700	913			700	913
Health and welfare	523	403			523	403
Recreation	1,076	1,136			1,076	1,136
Library	700	774			700	774
Interest on debt	505	512			505	512
Water and sewer			8,446	8,673	8,446	8,673
Total expenses	<u>19,786</u>	<u>19,192</u>	<u>8,446</u>	<u>8,673</u>	<u>28,232</u>	<u>27,865</u>
Increase (decrease) in net position	8,304	3,229	2,421	2,581	10,725	5,810
Net position - beginning of the year, as restated	<u>54,472</u>	<u>62,776</u>	<u>41,152</u>	<u>43,574</u>	<u>95,624</u>	<u>106,350</u>
Net position - end of year	<u>\$62,776</u>	<u>\$66,005</u>	<u>\$43,574</u>	<u>\$46,155</u>	<u>\$106,350</u>	<u>\$112,160</u>

For the most part, increases in expenses closely paralleled inflation and growth in the demand for services.

Expenses and Program Revenues - Governmental Activities



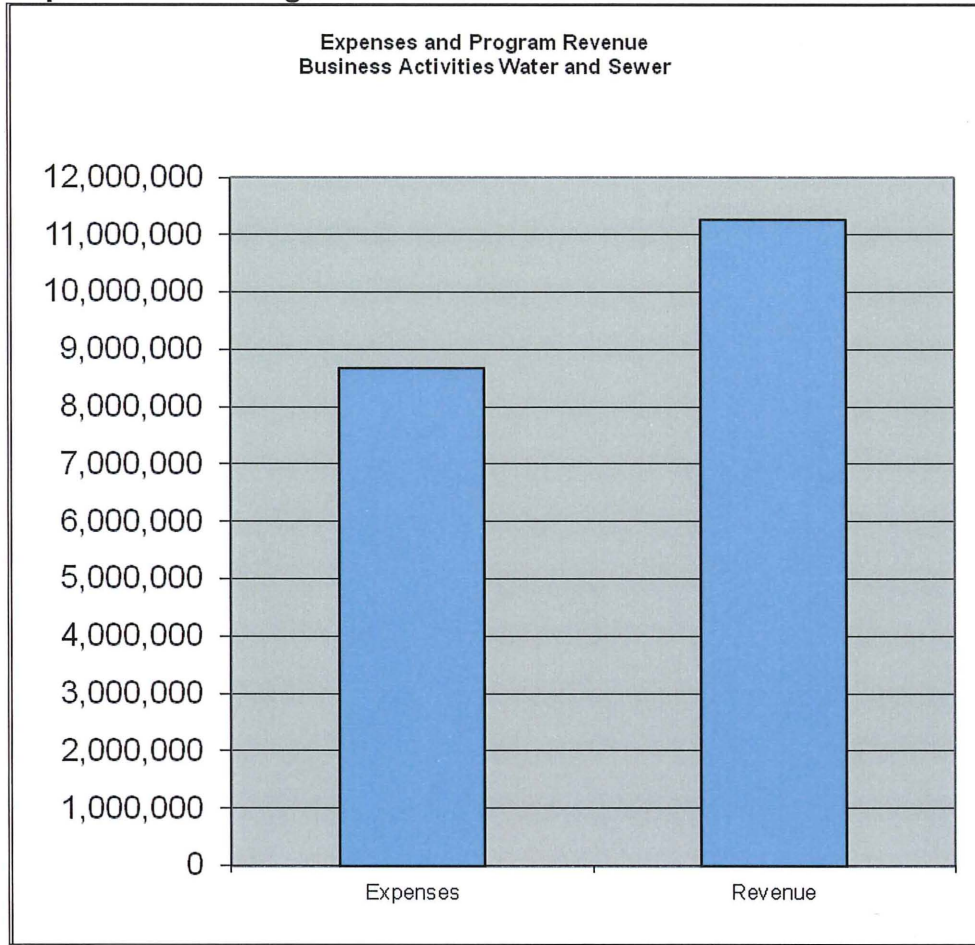
Revenues by Source - Governmental Activities



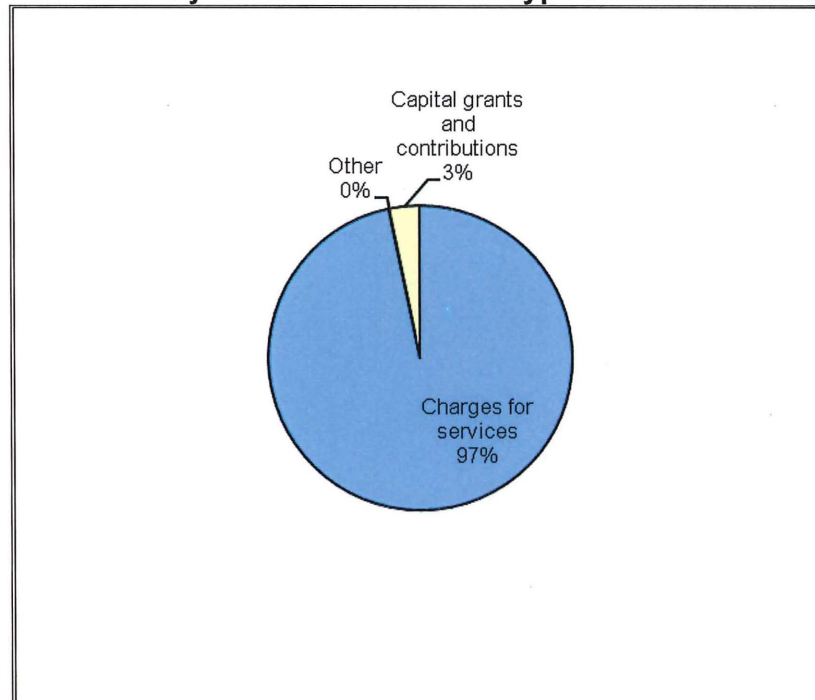
Business-type activities

Business-type activities increased the City's net position by \$2,581,207 accounting for 44.4% of the total increase in the government's net position. The key element of this increase is the result of revenue exceeding expenses. The major component of revenue increase is related to a rate increase implemented in the current fiscal year.

Expenses and Program Revenues Business Activities Water and Sewer



Revenues by Source – Business-type Activities Water and Sewer



Financial Analysis of the Financial Statements (Continued)

As noted earlier, the City uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements.

Governmental Funds

The focus of the City of La Vergne's governmental funds is to provide information on near-term inflows, outflows and balances of spendable resources. Such information is useful in assessing the City's financing requirements in particular, unassigned fund balance may serve as a useful measure to a government's net resources available for spending at the end of the fiscal year.

As of the end of the current fiscal year, the City's governmental funds reported combined ending fund balances of \$17,222,649, an increase of \$4,810,965 in comparison with the prior year. Approximately 57.1% of this total amount (\$9,837,846) constitutes unassigned fund balance, which is available for spending at the government's discretion. The remainder of fund balance (\$8,115,197) is reserved to indicate that it is not available for new spending because it has been restricted, assigned or designated as non-spendable and has been committed to provide for spending for specific funds, prepaid items and amounts expended for supply inventories. The increase in fund balance is mainly due to \$1,553,880 increase in tax revenue and non recurring \$2,000,000 expense from prior year.

The general fund is the chief operating fund of the City. At the end of the current fiscal year, unassigned fund balance of the general fund was \$9,837,846, while total fund balance of general fund balance was \$9,863,178. As a measure of the general fund's liquidity, it may be useful to compare both unassigned fund balance and total fund balance to total fund expenditures. Unassigned fund balance represents 99.7% of total general fund expenditures. Total fund balance represents 45.6% of total general fund expenditures.

The unassigned fund balance of the City's general fund at year end increased by \$4,932,808. The major reason for General Fund balance increase was due non recurring \$2,000,000 expense to purchase Fire Department from prior year along with increase in local sales tax increase of \$1,087,556 and increase in property tax \$344,944. Sales tax increased due to retail growth. General fund revenues increased by \$2,049,851 when compared to the prior year (mainly due to tax revenues), while general fund expenditures decreased by \$594,182 when compared to prior year.

Total fund balance of the highway and street capital projects fund increased by \$1,439,141. This increase is due to a bond issue to widen intersection of US 41 and Nir Shreibman and to extend Nir Shreibman Road. This project will be complete in the spring of 2015.

Total fund balance of all non-major special revenue funds increased by \$440,220 mainly due to revenues exceeding expenses in Stormwater Fund.

The City's proprietary funds provide the same type of information found in the government-wide financial statement, but in more detail.

The Water and Sewer fund change is net position was an increase of \$2,581,207 and is mainly due to revenues exceeding expenses. Annual rate increases, begun in 2011, continue to facilitate this increase.

Budgetary Highlights

Total general fund revenues for FY 2014-2015 were above final budgeted revenues by \$2,221,676 or 12.8%. Total expenditures for FY 2014-2015 were below final budgeted expenses by \$1,113,105 or 4.9%.

There were increases in General fund differences between the original budget for expenditures and the final amended budget. The following departments make up the majority of the increases:

Fire Dept	\$3,097,541	Debt Services	\$279,000
-----------	-------------	---------------	-----------

Actual expenditures for the above departments exceeded the original budget allocation. The budget amendment allowed for allocations of funding for the revised projected spending levels for the departments. Fire Department increase in budget \$3,097,541 was due to purchase of new fire equipment thru bond issues. Debt services increase \$279,000 was due to bond sale expenses and principal payment on new bond debt issued during the year.

Capital Asset and Debt Administration

Capital Assets

The City of La Vergne's investment in capital assets from its governmental and business-type activities at June 30, 2015, amounts to \$117,024,546 (net of accumulated depreciation). This investment in capital assets is in land, buildings, improvements, machinery and equipment, park facilities, roads, highways and bridges. The total increase in the City's investment in capital assets net of related debt for the current fiscal year was \$3,567,260 (3.8% increase for governmental activities and 2.2% increase for business-type activities).

Major capital asset events during the current fiscal year, before depreciation, are as follows:

- Approximately \$219,699 in infrastructure
- Approximately \$115,214 in Construction in Process
- Approximately \$255,134 in building
- Approximately \$4,908,628 in equipment
- Approximately \$1,070,838 in upgrades and additions to water and sewer system

City of La Vergne's Capital Assets

Additional information on the City of La Vergne's capital assets can be found in the notes to the financial statements section. This information is provided in note 3) Capital Assets, beginning on page 35 of this report.

Long -Term Debt

City of La Vergne's Outstanding Debt

	Governmental Activities		Business-type Activities		Total	
	June 30 2014	June 30 2015	June 30 2014	June 30 2015	June 30 2014	June 30 2015
			(000 omitted)			
General obligation bonds	10,380	15,505			10,380	15,505
Capital Lease	2,716	2,247			2,716	2,247
Notes payable	503	254			503	254
Other obligation to state	1591	1,591			1591	1,591
Revenue and tax bonds	<u>-</u>	<u>-</u>	<u>23,190</u>	<u>21,800</u>	<u>23,190</u>	<u>21,800</u>
Total	<u>15,190</u>	<u>19,597</u>	<u>23,190</u>	<u>21,800</u>	<u>38,380</u>	<u>41,397</u>

At the end of the current year, the City of La Vergne has debt outstanding of \$41,397,054. The total debt of the City is secured by both the taxing power of the City and specific revenue sources (i.e., revenue and tax bonds) of the enterprise fund.

The City of La Vergne's total debt increased by a net total of \$3,017,006 (7.9%) during FY 2014-2015. New bond debt \$3,735,000 was issued in 2014-2015 for Fire Department Equipment. The total debt of the City is secured by both the taxing power of the City and specific revenue sources (i.e., revenue and tax bonds) of the enterprise fund.

The City of La Vergne maintains a AA rating from Standard & Poors.

State statutes impose no debt limit on the amount of general obligation debt a governmental entity may issue.

Additional information on the City of La Vergne's debt can be found in the notes to the financial statements section. This information is provided in note 5) Long-term Debt and other Obligations Payable, beginning on page 37 of this report.

Economic Factors and Next Year's Budget and Rates

The unemployment rate for the City of La Vergne is currently 5.2%, compared to the State unemployment rate of 5.7% and the national rate of 5.1%.

In the FY 2015-2016 budget, General fund revenues and transfers in are budgeted to decrease by 8.3% from the FY 2014-2015 original budget year. This decrease is primarily due to reduced spending from non-recurring Fire Dept purchase. The city property tax rate was lowered for fiscal year 2015-2016 to \$97.50 per 100 assessed value. The City's budget, as is with most City budgets, has been challenged by current economic conditions. The City will continue to monitor spending and use current resources as effectively and efficiently as possible to provide citizens safety and service that is deserved of them.

All of these factors were considered in preparing the City's budget for the 2015-2016 fiscal year.

During the current fiscal year, unassigned fund balance in the general fund increased by \$4,932,808 (mainly due to non-recurring expenses in the of Fire Dept) The ending total General fund balance increased to \$9,863,178 from previous year balance of \$6,931,574 after adjustment for the reserve for inventory. The fund balance for the General Fund is budgeted to remain unchanged or increase slightly for fiscal year 2015-2016.

Requests for Information

This financial report is designed to provide a general overview of the City of La Vergne, Tennessee's finances for all those with an interest in the government's finances. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to:

Finance Director
City of La Vergne
5093 Murfreesboro Road
La Vergne, TN 37086

BASIC FINANCIAL STATEMENTS

CITY OF LA VERGNE, TENNESSEE

**Statement of Net Position
June 30, 2015**

<u>Assets</u>	Primary Government		Total
	Governmental Activities	Business Activities	
Cash and cash equivalents	\$17,258,502	8,669,969	25,928,471
Receivables (net of allowance for uncollectibles)			
Property taxes	8,025,026	-	8,025,026
Other taxes	219,127	-	219,127
Due from other governments	1,985,436	-	1,985,436
Accounts receivable	135,646	2,206,750	2,342,396
Inventory of supplies, at cost	5,127	175,331	180,458
Restricted assets - cash and cash equivalents			
Cash - bond proceeds	-	8,278,931	8,278,931
Internal balances	(516,675)	516,675	-
Non-depreciable capital assets	5,718,129	2,779,666	8,497,795
Capital assets (net of accumulated depreciation)	62,323,898	46,202,853	108,526,751
Total Assets	<u>95,154,216</u>	<u>68,830,175</u>	<u>163,984,391</u>
<u>Deferred Outflows of Resources:</u>			
Deferred amount on refunding	<u>146,892</u>	<u>239,345</u>	<u>386,237</u>
<u>Liabilities:</u>			
Accounts payable	1,164,564	366,418	1,530,982
Accrued expenses	315,267	259,387	574,654
Customer deposits	-	3,500	3,500
Long-term liabilities due within one year	2,552,811	1,255,000	3,807,811
Long-term liabilities due in more than one year	17,531,630	21,030,312	38,561,942
Total Liabilities	<u>21,564,272</u>	<u>22,914,617</u>	<u>44,478,889</u>
<u>Deferred Inflows of Resources:</u>			
Unavailable revenues	<u>7,732,270</u>	<u>-</u>	<u>7,732,270</u>
<u>Net Position</u>			
Net investment in capital assets	48,465,919	35,215,483	83,681,402
Restricted for:			
Highways and streets	2,990,466	-	2,990,466
Parks and recreation	409,633	-	409,633
Stormwater projects	3,660,628	-	3,660,628
Senior citizens	9,504	-	9,504
Law enforcement	309,445	-	309,445
Unrestricted	<u>10,158,971</u>	<u>10,939,420</u>	<u>21,098,391</u>
Total Net Position	<u>\$66,004,566</u>	<u>46,154,903</u>	<u>112,159,469</u>

See accompanying notes to financial statements.

CITY OF LA VERGNE, TENNESSEE

Statement of Activities

For the Year Ended June 30, 2015

Functions / Programs:	Program Revenues				Net (Expenses) Revenue and Changes in Net Position		Total
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Primary Government		
					Governmental Activities	Business-type Activities	
Primary Government:							
Governmental Activities:							
General government	\$3,000,115	250,168	-	-	(2,749,947)	-	(2,749,947)
Public safety:							
Police	6,437,504	378,789	111,720	14,998	(5,931,997)	-	(5,931,997)
Fire and emergency services	2,959,476	-	2,898	-	(2,956,578)	-	(2,956,578)
Highways and streets	3,057,884	-	926,861	554,150	(1,576,873)	-	(1,576,873)
Stormwater	912,788	1,056,773	-	-	143,985	-	143,985
Health and welfare	402,611	6,687	76,348	-	(319,576)	-	(319,576)
Recreation	1,136,043	171,943	21,696	21,542	(920,862)	-	(920,862)
Library	774,335	37,860	2,387	-	(734,088)	-	(734,088)
Interest on debt	510,982	-	-	-	(510,982)	-	(510,982)
Total Government Activities	19,191,738	1,902,220	1,141,910	590,690	(15,556,918)	-	(15,556,918)
Business-type Activities:							
Water and Sewer	8,672,645	10,886,498	-	363,640	-	2,577,493	2,577,493
Total Business-type Activities	8,672,645	10,886,498	-	363,640	-	2,577,493	2,577,493
Total Primary Government	\$27,864,383	12,788,718	1,141,910	954,330	(15,556,918)	2,577,493	(12,979,425)
General Revenues:							
Property taxes					\$7,863,667	-	7,863,667
In lieu tax - commercial					162,962	-	162,962
In lieu tax - utility					439,486	-	439,486
Sales taxes					5,640,249	-	5,640,249
Business taxes					959,371	-	959,371
Wholesale beer & liquor taxes					583,093	-	583,093
Franchise taxes					343,917	-	343,917
Hotel / Motel tax					67,342	-	67,342
Unrestricted state shared taxes:							
State shared income taxes					164,540	-	164,540
State shared beer tax					15,586	-	15,586
State shared sales tax					2,471,297	-	2,471,297
Other unrestricted other state and county shared taxes					5,384	-	5,384
Unrestricted investment earnings					8,020	3,714	11,734
Other					60,658	-	60,658
Total general revenues					18,785,572	3,714	18,789,286
Change in net position					3,228,654	2,581,207	5,809,861
Net position - beginning of year					62,775,912	43,573,696	106,349,608
Net position - end of year					\$66,004,566	46,154,903	112,159,469

See accompanying notes to financial statements

CITY OF LA VERGNE, TENNESSEE

**Balance Sheet
Governmental Funds**

June 30, 2015

	General Fund	Capital Project Fund Highways & Streets Fund	Other Governmental Funds	Total Governmental Funds
<u>Assets</u>				
Cash and cash equivalents	\$8,878,703	1,908,945	5,311,624	16,099,272
Receivables				
Property taxes	8,076,673	-	-	8,076,673
Other taxes	219,127	-	-	219,127
Due from other governments	1,819,608	-	165,828	1,985,436
Accounts receivable	1,088	-	87,715	88,803
Inventory of supplies, at cost	5,127	-	-	5,127
Total Assets	<u>19,000,326</u>	<u>1,908,945</u>	<u>5,565,167</u>	<u>26,474,438</u>
<u>Liabilities:</u>				
Accounts payable	\$871,609	23,084	51,718	946,411
Accrued costs	123,981	-	39,839	163,820
Total Liabilities	<u>995,590</u>	<u>23,084</u>	<u>91,557</u>	<u>1,110,231</u>
<u>Deferred Inflows of Resources:</u>				
Unavailable revenue	<u>8,141,558</u>	<u>-</u>	<u>-</u>	<u>8,141,558</u>
<u>Fund Balance:</u>				
Nonspendable:				
Inventory	5,127	-	-	5,127
Restricted for:				
Law enforcement	20,205	-	207,637	227,842
Highways and streets	-	-	1,104,605	1,104,605
Stormwater	-	-	3,660,628	3,660,628
Senior citizens	-	-	9,504	9,504
Highways and streets capital projects	-	1,885,861	-	1,885,861
Law enforcement capital projects	-	-	81,603	81,603
Recreation capital projects	-	-	409,633	409,633
Unassigned	9,837,846	-	-	9,837,846
Total Fund Balances	<u>9,863,178</u>	<u>1,885,861</u>	<u>5,473,610</u>	<u>17,222,649</u>
Total Liabilities, Deferred Inflows of Resources and Fund Balance	<u>\$19,000,326</u>	<u>1,908,945</u>	<u>5,565,167</u>	<u>26,474,438</u>

See accompanying notes to financial statements.

CITY OF LA VERGNE, TENNESSEE

**Reconciliation of Balance Sheet to Statement of Net Position
of Governmental Activities**

June 30, 2015

Amounts reported for fund balance - total governmental funds	\$17,222,649
Amounts reported for governmental activities in the statement of net position are different because:	
Capital assets used in governmental activities are not financial resources and , therefore, are not reported in the funds.	68,042,027
Other long-term assets are not available to pay for current-period expenditures and, therefore, are deferred in the funds	
Property taxes receivable	357,641
Interest payable on long-term obligations are not due and payable in the current period and therefore, they are not reported in the governmental funds balance sheet.	(151,448)
Internal service fund is used by management to charge the costs of medical insurance to individual funds. The assets and liabilities of the internal service fund is included in governmental activities in the statement of net position.	
Cash	1,159,230
Accounts receivable	46,843
Accounts payable	(218,152)
Due to other funds	(516,675)
Gain and loss on bond refunding are amortized as a component of interest over the life of the bonds on the statement of net position.	146,892
Bond premiums and discounts are amortized as a component of interest over the life of the bonds on the statement of net position.	(125,946)
Long-term liabilities, including bonds payable are not due and payable in the current period and therefore are not recorded in the funds.	
Governmental bonds, notes, obligations and capital leases payable	(19,597,054)
Compensated absences payable	(361,441)
Net position of governmental activities	<u>\$66,004,566</u>

See accompanying notes to financial statements.

CITY OF LA VERGNE, TENNESSEE

**Statement of Revenues, Expenditures and Changes in Fund Balance
Governmental Funds**

For the Year Ended June 30, 2015

		Capital Project Fund		
	General	Highways & Streets Fund	Other Governmental Funds	Total Governmental Funds
<u>Revenues</u>				
Taxes	\$15,566,571	-	-	15,566,571
Licenses and permits	196,616	346,998	1,119,357	1,662,971
Fines and fees	257,374	-	77,491	334,865
Intergovernmental	3,245,638	-	983,761	4,229,399
Uses of money and property	268,363	404	9,061	277,828
Miscellaneous	85,254	-	5,633	90,887
Total Revenue	<u>19,619,816</u>	<u>347,402</u>	<u>2,195,303</u>	<u>22,162,521</u>
<u>Expenditures</u>				
Current:				
General government	2,908,150	-	-	2,908,150
Public safety:				
Police	5,706,625	-	104,622	5,811,247
Fire and emergency services	3,071,497	-	-	3,071,497
Highways and streets	691,412	561	706,113	1,398,086
Stormwater	-	-	643,403	643,403
Health and welfare	268,887	-	132,052	400,939
Recreation	1,074,326	-	556	1,074,882
Library	629,442	-	-	629,442
Debt service	2,163,473	-	223,273	2,386,746
Capital outlay	5,132,586	127,700	35,064	5,295,350
Total Expenditures	<u>21,646,398</u>	<u>128,261</u>	<u>1,845,083</u>	<u>23,619,742</u>
Excess (deficiency) revenues over expenditures	<u>(2,026,582)</u>	<u>219,141</u>	<u>350,220</u>	<u>(1,457,221)</u>
<u>Other Financing Sources (Uses)</u>				
Issuance of debt	8,050,000	-	-	8,050,000
Payment to escrow agent to refund bonds	(1,914,570)	-	-	(1,914,570)
Premiums on issuance of debt	135,145	-	-	135,145
Transfers from other funds	-	1,220,000	90,000	1,310,000
Transfers to other funds	(1,310,000)	-	-	(1,310,000)
Total Other Financing Sources (Uses)	<u>4,960,575</u>	<u>1,220,000</u>	<u>90,000</u>	<u>6,270,575</u>
Net Change in Fund Balance	<u>2,933,993</u>	<u>1,439,141</u>	<u>440,220</u>	<u>4,813,354</u>
Fund Balance, Beginning of Year	<u>6,931,574</u>	<u>446,720</u>	<u>5,033,390</u>	<u>12,411,684</u>
Increase (decrease) in reserve for inventory	(2,389)	-	-	(2,389)
Fund Balance, End of Year	<u>\$9,863,178</u>	<u>1,885,861</u>	<u>5,473,610</u>	<u>17,222,649</u>

See accompanying notes to financial statements.

CITY OF LA VERGNE, TENNESSEE

**Reconciliation of the Statement of Revenues, Expenditures and Changes in Fund Balance
of Governmental Funds to the Statement of Activities**

For the Year Ended June 30, 2015

Amounts reported for net change in fund balance - total governmental funds \$4,813,354

Amounts reported for governmental activities in the statement of activities are different because:

Governmental funds report capital outlays as expenditures. However, in the statement of activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense. in the current period:

Cost of assets acquired	5,295,350
Depreciation expense	(3,002,537)

Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds:

Property taxes	54,030
Contributed capital assets	203,609

The issuance of long-term debt provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on net position. Also, governmental funds report the effect of premiums, discounts, loss on refundings and similar items when debt is first issued, whereas these amounts are deferred and amortized in the statement of activities.

Debt repayment	3,642,994
Bond premium written off	8,479
Debt issuance	(8,050,000)
Premiums on debt issuance	(135,145)
Loss on refunding	46,091
Amortization of premiums, discounts and deferred amount on refundings	(15,396)

Interest is accrued on the outstanding bonds in the Statement of Activities, whereas in the governmental funds, an interest expenditure is reported when due:

Interest on bonded debt	(22,436)
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Expenses reported for governmental activities do not require the use of current financial resources and are not reported as expenditures in the governmental funds:

Inventory	(2,389)
Compensated absences	(53,756)

Internal service funds are used by management to charge the costs of medical insurance to individual funds. The net revenue of certain activities of internal service funds is reported with governmental activities.

446,406

Change in net position of governmental activities

\$3,228,654

See accompanying notes to financial statements.

CITY OF LA VERGNE, TENNESSEE

**Statement of Revenues, Expenditures and Changes in
Fund Balance - Budget (GAAP Basis) and Actual**

General Fund

For the Year Ended June 30, 2015

	Budgeted Amounts		Actual	Variance with
	Original	Final	Amounts	Final Budget Positive (Negative)
Revenues:				
Taxes:				
Real estate taxes	\$7,634,060	7,634,060	7,809,637	175,577
Payments in lieu of taxes	130,000	130,000	162,962	32,962
Business tax	650,000	650,000	959,371	309,371
Wholesale beer tax	410,000	410,000	435,684	25,684
Wholesale liquor tax	153,000	153,000	147,409	(5,591)
Local option sales tax	4,500,000	4,500,000	5,640,249	1,140,249
Franchise tax	327,000	327,000	343,917	16,917
Hotel/Motel tax	50,000	50,000	67,342	17,342
Total Taxes	13,854,060	13,854,060	15,566,571	1,712,511
Licenses and Permits				
Building permits	100,000	100,000	108,586	8,586
Plumbing and mechanical permits	19,700	19,700	14,227	(5,473)
Plan review fees	7,000	7,000	24,936	17,936
Beer and liquor licenses	2,750	2,750	2,750	-
Other permits	15,050	15,050	46,117	31,067
Total Licenses and Permits	144,500	144,500	196,616	52,116
Intergovernmental Revenues:				
State of Tennessee income tax	25,000	25,000	164,540	139,540
State of Tennessee beer tax	13,500	13,500	15,586	2,086
State of Tennessee sales tax	2,250,000	2,250,000	2,471,297	221,297
State of Tennessee petroleum special tax	63,000	63,000	66,479	3,479
TVA and NES in lieu tax	435,000	435,000	439,486	4,486
Grants- federal and state	-	1,260	82,866	81,606
Other state and county shared taxes	8,220	8,220	5,384	(2,836)
Total Intergovernmental Revenues	2,794,720	2,795,980	3,245,638	449,658
Fines and forfeits	363,400	363,400	257,374	(106,026)
Uses of Property and Money:				
Penalties	35,000	35,000	29,706	(5,294)
Interest earned	2,500	2,500	5,008	2,508
Rent	-	-	18,000	18,000
Recreation fees	125,000	125,000	171,943	46,943
Library fees	26,200	26,200	37,860	11,660
Fees and commissions	3,500	3,500	5,846	2,346
Total Uses of Property and Money	192,200	192,200	268,363	76,163
Other				
Contributions and private grants	30,500	30,500	29,475	(1,025)
Miscellaneous	17,500	17,500	55,779	38,279
Total Other	48,000	48,000	85,254	37,254
Total Revenues	17,396,880	17,398,140	19,619,816	2,221,676
Expenditures:				
General Government:				
Current:				
Legislative Board:				
Salaries	29,400	29,400	30,950	(1,550)
Benefits and payroll taxes	83,244	83,244	83,123	121
Travel	4,500	4,500	1,215	3,285
Other	17,200	17,200	16,485	715
Total Legislative Board	134,344	134,344	131,773	2,571

Continued on next page

CITY OF LA VERGNE, TENNESSEE

**Statement of Revenues, Expenditures and Changes in
Fund Balance - Budget (GAAP Basis) and Actual, Continued**

General Fund

For the Year Ended June 30, 2015

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Expenditures, Continued:				
General Government, Continued:				
Current, Continued:				
Judicial:				
Salaries	\$169,969	169,969	170,522	(553)
Benefits and payroll taxes	85,554	85,554	77,374	8,180
Contractual services and other	46,000	46,000	37,602	8,398
Total City and General Sessions Court	301,523	301,523	285,498	16,025
City Administration:				
Salaries	41,987	41,987	45,841	(3,854)
Benefits and payroll taxes	33,739	33,739	33,240	499
Memberships and publications	1,500	1,500	1,264	236
Supplies	4,200	4,200	2,733	1,467
Other	1,300	1,300	1,000	300
Public relations and recruitment	-	-	-	-
Travel	3,500	3,500	627	2,873
Total City Administration	86,226	86,226	84,705	1,521
City Recorder				
Salaries	104,797	104,797	105,363	(566)
Benefits and payroll taxes	55,778	55,778	51,931	3,847
Memberships and publications	7,300	7,300	5,148	2,152
Supplies	3,500	3,500	4,150	(650)
Repairs and maintenance	5,600	5,600	5,600	-
Other	7,500	7,500	7,126	374
Total City Recorder	184,475	184,475	179,318	5,157
Tax Administration:				
Salaries	88,307	88,307	89,975	(1,668)
Benefits and payroll taxes	41,365	41,365	40,842	523
Professional services - reappraisal	174,607	174,607	161,408	13,199
Supplies and other	8,800	8,800	6,316	2,484
Repairs and maintenance	5,000	5,000	4,500	500
Travel	2,000	2,000	948	1,052
Tax relief	7,000	7,000	6,953	47
Total Tax Administration	327,079	327,079	310,942	16,137
Treasurer:				
Salaries	110,453	110,453	110,051	402
Benefits and payroll taxes	138,587	138,587	135,515	3,072
Memberships and publications	4,500	4,500	2,180	2,320
Supplies	8,900	8,900	5,586	3,314
Repairs and maintenance	12,000	12,000	12,015	(15)
Professional services	16,500	16,500	14,650	1,850
Other	13,000	13,000	13,245	(245)
Total Treasurer	303,940	303,940	293,242	10,698
Human Resources:				
Salaries	58,423	69,492	48,146	21,346
Benefits and payroll taxes	96,925	103,570	90,776	12,794
Memberships and publications	900	900	2,228	(1,328)
Travel	2,200	2,200	336	1,864
Supplies and other	2,000	2,000	2,892	(892)
Professional services	105,000	105,000	5,050	99,950
Employee relations	200	200	93	107
Total Human Resources	265,648	283,362	149,521	133,841

Continued on next page

CITY OF LA VERGNE, TENNESSEE

**Statement of Revenues, Expenditures and Changes in
Fund Balance - Budget (GAAP Basis) and Actual, Continued**

General Fund

For the Year Ended June 30, 2015

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Expenditures, Continued:				
General Government, Continued:				
Current, Continued:				
Engineering::				
Salaries	\$80,466	80,466	82,681	(2,215)
Benefits and payroll taxes	98,723	98,723	95,851	2,872
Memberships and publications	2,500	2,500	630	1,870
Professional services	10,000	10,000	-	10,000
Supplies	14,750	14,750	6,459	8,291
Utilities	7,010	7,010	4,915	2,095
Other	4,000	4,000	-	4,000
Total Engineering	217,449	217,449	190,536	26,913
Information Technology:				
Salaries	60,234	60,234	53,830	6,404
Benefits and payroll taxes	45,023	45,023	43,472	1,551
Memberships and publications	16,000	16,000	26,563	(10,563)
Supplies	61,000	61,000	34,379	26,621
Telephone	150,000	150,000	146,527	3,473
Repairs and maintenance	49,578	49,578	48,380	1,198
Other	500	500	9	491
Total Information Technology	382,335	382,335	353,160	29,175
Codes Administration:				
Salaries	293,062	293,062	275,245	17,817
Benefits and payroll taxes	167,847	167,847	141,957	25,890
Memberships and publications	5,900	5,900	8,571	(2,671)
Utilities	4,100	4,100	4,713	(613)
Repairs and maintenance	8,700	8,700	17,535	(8,835)
Supplies	37,850	37,850	11,053	26,797
Professional services	5,000	5,000	57	4,943
Other	5,800	5,800	2,742	3,058
Total Codes Administration	528,259	528,259	461,873	66,386
City Hall Building:				
Professional services	51,000	51,000	53,000	(2,000)
Memberships and publications	1,100	1,100	1,667	(567)
Utilities	37,000	37,000	28,843	8,157
Repairs and maintenance	17,000	17,000	10,641	6,359
Supplies	18,500	18,500	17,670	830
Equipment rentals and pole fee	24,500	24,500	21,271	3,229
Insurance	300,000	320,000	334,490	(14,490)
Other	-	-	-	-
Total City Hall Building	449,100	469,100	467,582	1,518
Total Current	3,180,378	3,218,092	2,908,150	309,942
Capital Outlay	26,000	26,000	-	26,000
Total General Government	3,206,378	3,244,092	2,908,150	335,942

Continued on next page

CITY OF LA VERGNE, TENNESSEE

**Statement of Revenues, Expenditures and Changes in
Fund Balance - Budget (GAAP Basis) and Actual, Continued**

General Fund

For the Year Ended June 30, 2015

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Expenditures, Continued:				
Public Safety:				
Police :				
Current:				
Salaries	\$3,294,184	3,294,184	3,327,037	(32,853)
Benefits and payroll taxes	1,729,096	1,729,096	1,603,607	125,489
Memberships and publications	8,500	8,500	8,056	444
Utilities	49,050	49,050	48,888	162
Communications	62,500	62,500	54,000	8,500
Professional services	35,000	35,000	137,447	(102,447)
Repairs and maintenance	155,000	155,000	183,411	(28,411)
Travel	14,000	14,000	21,618	(7,618)
Grants, contributions and indemnities	12,000	12,000	6,034	5,966
Supplies	355,000	355,000	303,996	51,004
Equipment rental	9,000	9,000	7,763	1,237
Other	10,000	10,000	4,768	5,232
Total Police	<u>5,733,330</u>	<u>5,733,330</u>	<u>5,706,625</u>	<u>26,705</u>
Fire Protection and Emergency Services				
Salaries	1,774,083	1,774,083	1,728,492	45,591
Benefits and payroll taxes	991,929	991,929	872,480	119,449
Memberships and publications	3,000	3,000	2,942	58
Utilities	38,400	38,400	36,914	1,486
Repairs and maintenance	290,000	290,000	153,222	136,778
Equipment rental	5,000	5,000	3,543	1,457
Supplies	218,500	218,500	217,586	914
Hazmat supplies	30,000	30,000	28,399	1,601
Professional services	32,000	32,000	22,496	9,504
Other	20,500	20,500	5,423	15,077
Total Fire Protection and Control	<u>3,403,412</u>	<u>3,403,412</u>	<u>3,071,497</u>	<u>331,915</u>
Total Current	9,136,742	9,136,742	8,778,122	358,620
Capital Outlay	2,138,000	5,235,541	5,018,221	217,320
Total Public Safety	<u>11,274,742</u>	<u>14,372,283</u>	<u>13,796,343</u>	<u>575,940</u>
Highways and Streets:				
Road Maintenance:				
Current:				
Salaries	258,721	258,721	223,065	35,656
Benefits and payroll taxes	177,704	177,704	120,736	56,968
Utilities	9,300	9,300	7,668	1,632
Repairs and maintenance	28,000	28,000	32,624	(4,624)
Professional services	110	110	828	(718)
Memberships and publications	250	250	495	(245)
Supplies	74,150	74,150	74,391	(241)
Equipment rental	850	850	500	350
Total Road Maintenance	<u>549,085</u>	<u>549,085</u>	<u>460,307</u>	<u>88,778</u>
Fleet Maintenance:				
Salaries	71,435	71,435	72,766	(1,331)
Benefits and payroll taxes	40,187	40,187	36,973	3,214
Repairs and maintenance	105,500	105,500	98,272	7,228
Supplies and other	14,550	14,550	23,094	(8,544)
Total Fleet Maintenance	<u>231,672</u>	<u>231,672</u>	<u>231,105</u>	<u>567</u>
Total Current	780,757	780,757	691,412	89,345
Capital Outlay	105,000	105,000	88,209	16,791
Total Highways and Streets	<u>885,757</u>	<u>885,757</u>	<u>779,621</u>	<u>106,136</u>

Continued on next page

CITY OF LA VERGNE, TENNESSEE
Statement of Revenues, Expenditures and Changes in
Fund Balance - Budget (GAAP Basis) and Actual, Continued

General Fund
For the Year Ended June 30, 2015

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Expenditures, Continued:				
Health and Welfare:				
Health and social benefits::				
Current:				
Grants and contributions	\$94,500	96,000	95,284	716
Total Health and social benefits	94,500	96,000	95,284	716
Culture and Tourism:				
Grants and contributions	30,244	30,244	27,500	2,744
Total Culture and Tourism	30,244	30,244	27,500	2,744
Economic Development				
Current:				
Salaries	50,655	50,655	54,915	(4,260)
Benefits and payroll taxes	27,378	27,378	27,460	(82)
Public relations and recruitment	31,000	31,000	11,694	19,306
Professional services	20,000	20,000	20,000	-
Supplies	8,000	8,000	7,929	71
Travel	8,000	8,000	5,601	2,399
Grants and contributions	11,500	11,500	11,500	-
Other	8,000	8,000	7,004	996
Total Economic Development	164,533	164,533	146,103	18,430
Total Current	289,277	290,777	268,887	21,174
Capital Outlay	-	-	-	-
Total Health and Welfare	289,277	290,777	268,887	21,890
Recreation:				
Current:				
Salaries	417,812	393,469	387,811	5,658
Benefits and payroll taxes	265,352	286,598	261,895	24,703
Memberships	3,000	3,000	363	2,637
Utilities	77,000	77,000	79,562	(2,562)
Repairs and maintenance	65,500	65,500	65,927	(427)
Professional services	2,000	2,000	494	1,506
Public relations and community events	49,500	49,500	47,755	1,745
Supplies	72,900	72,900	74,742	(1,842)
Concession resale items	25,000	50,000	49,754	246
Equipment rental	2,500	2,500	4,141	(1,641)
Program and league expenditures	85,650	85,650	101,646	(15,996)
Other	650	650	236	414
Total Recreation	1,066,864	1,088,767	1,074,326	14,441
Total Current	1,066,864	1,088,767	1,074,326	14,441
Capital Outlay	24,220	24,220	26,156	(1,936)
Total Recreation	1,091,084	1,112,987	1,100,482	12,505
Library:				
Current:				
Salaries	317,611	317,611	311,869	5,742
Benefits and payroll taxes	136,427	136,427	129,423	7,004
Memberships and publications	15,000	15,000	7,146	7,854
Utilities	59,600	59,600	46,869	12,731
Professional services	300	300	57	243
Repairs and maintenance	17,000	17,000	15,382	1,618
Books and materials	74,900	74,900	62,899	12,001
Supplies	23,750	23,750	20,778	2,972
Equipment rental	10,000	10,000	8,282	1,718
Childrens' programs	20,000	20,000	23,554	(3,554)
Other	500	500	3,183	(2,683)
Total Library	675,088	675,088	629,442	45,646
Total Current	675,088	675,088	629,442	45,646
Capital Outlay	-	-	-	-
Total Library	675,088	675,088	629,442	45,646
Debt Service:				
Principal	1,537,989	1,653,989	1,706,194	(52,205)
Interest	359,730	391,730	325,726	66,004
Other charges - bond and service charges	1,800	132,800	131,553	1,247
Total Debt Service	1,899,519	2,178,519	2,163,473	15,046
Total Expenditures	19,321,845	22,759,503	21,646,398	1,113,105

Continued on next page

CITY OF LA VERGNE, TENNESSEE

**Statement of Revenues, Expenditures and Changes in
Fund Balance - Budget (GAAP Basis) and Actual, Continued**

General Fund

For the Year Ended June 30, 2015

	Budgeted Amounts			Variance with Final Budget Positive (Negative)
	Original	Final	Actual	
Excess of Revenues Over (Under) Expenditures, Continued:				
Excess Revenues Over (Under) Expenditures	(\$1,924,965)	(5,361,363)	(2,026,582)	3,334,781
Other Financing Sources (Uses):				
Issuance of debt	-	8,066,972	8,050,000	(16,972)
Payment to escrow agent to refund bonds	-	(1,915,000)	(1,914,570)	430
Premium on issuance of debt	-	140,000	135,145	(4,855)
Transfer out	(75,000)	(1,310,000)	(1,310,000)	-
Total Other Financing Sources (Uses)	(75,000)	4,981,972	4,960,575	(21,397)
Net Change in Fund Balance	(1,999,965)	(379,391)	2,933,993	3,313,384
Fund Balance, Beginning of Year	6,931,574	6,931,574	6,931,574	-
Increase (decrease) in reserve for inventory	-	-	(2,389)	(2,389)
Fund Balance, End of Year	\$4,931,609	6,552,183	9,863,178	3,310,995

See accompanying notes to financial statements.

CITY OF LA VERGNE, TENNESSEE

Statement of Net Position
Proprietary Funds

June 30, 2015

	Activity Type	
	Business Enterprise Fund	Governmental Internal Service Fund
	Water & Sewer Fund	Medical Insurance Fund
<u>Assets</u>		
Current Assets:		
Cash and cash equivalents	\$8,669,969	\$1,159,230
Receivables:		
Utility customers / stop loss insurance , net of allowance for estimated uncollectible	2,206,750	46,843
Inventory, at cost	175,331	-
Total Current Assets	11,052,050	1,206,073
Noncurrent Assets:		
Restricted Assets: Cash - bond proceeds	8,278,931	-
Property, Plant and Equipment		
Land and improvements	976,993	-
Water storage rights	1,636,695	-
Water treatment plant	16,944,283	-
Structures and improvements	51,311,894	-
Operating equipment	5,523,200	-
Office furniture and equipment	429,671	-
Transportation equipment	688,735	-
Construction in progress	165,978	-
Less accumulated depreciation	(28,694,930)	-
Total Property, Plant and Equipment, Net	48,982,519	-
Total Noncurrent Assets	57,261,450	-
Total Assets	68,313,500	1,206,073
<u>Deferred Outflows of Resources:</u>		
Deferred amounts on refunding	239,345	-
<u>Liabilities:</u>		
Current Liabilities (payable from current assets):		
Accounts payable	\$366,418	218,153
Accrued expenses	65,045	-
Interest payable	194,342	-
Current maturities of long-term debt	1,255,000	-
Total Current Liabilities (payable from current assets)	1,880,805	218,153
Current Liabilities (payable from restricted assets):		
Customer deposits	3,500	-
Total Current Liabilities	1,884,305	218,153
Long-term debt, net of current maturities	21,030,312	-
Total Liabilities	22,914,617	218,153
<u>Net Position</u>		
Net investment in capital assets	35,215,483	-
Unrestricted	10,422,745	987,920
Total Net Position	\$45,638,228	987,920
Adjustment to reflect the consolidation of internal service fund activities related to enterprise fund	516,675	
Net position of business-type activities	\$46,154,903	

See accompanying notes to financial statements

CITY OF LA VERGNE, TENNESSEE
Statement of Revenues, Expenses and Changes in Net Position

Proprietary Funds

For the Year Ended June 30, 2015

	Business-type Activities Enterprise Fund	Governmental- type Activities Internal Service Fund
	Water & Sewer Fund	Self-Insured Medical Insurance Fund
<u>Operating Revenues</u>		
Water sales and related services	\$4,401,167	-
Sewer service charges	5,880,020	-
Fire service	67,498	-
Access charges	81,112	-
Other	81,775	-
Charges for services	-	3,766,137
Forfeited discounts	326,504	-
Total Operating Revenues	10,838,076	3,766,137
<u>Operating Expenses</u>		
Medical claims paid and related items	-	3,052,963
Sewer treatment charges	1,612,302	-
Salaries	1,211,924	-
Benefits and payroll taxes	571,355	-
Office supplies and materials	32,932	-
Telephone and utilities	198,551	-
Maintenance and repairs	175,573	-
Operating supplies	342,910	-
Insurance	250,090	19,849
Plant operation contract service	1,717,694	-
Professional services	137,722	193,682
Depreciation	1,844,026	-
Other	21,397	11,034
Total Operating Expenses	8,116,476	3,277,528
Operating Income (loss)	2,721,600	488,609
<u>Nonoperating Revenues (Expenses)</u>		
Interest income	3,676	271
Rent income	48,422	-
Debt issuance costs	(94,834)	-
Interest expense	(503,770)	-
Total Nonoperating Revenues (Expenses)	(546,506)	271
Net Income (loss) Before Contributions	2,175,094	488,880
<u>Capital Contributions - tap fees</u>	232,374	-
<u>Capital Contributions - donated capital assets</u>	131,266	-
Change in Net Position	2,538,734	488,880
Net Position, Beginning of Year	43,099,494	499,040
Net Position, End of Year	45,638,228	987,920
Change in Net Position shown above	2,538,734	
Adjustment to reflect the consolidation of internal service fund activities related to enterprise fund	42,473	
Change in net position of business-type activities	\$2,581,207	

See accompanying notes to financial statements

CITY OF LA VERGNE, TENNESSEE

Statement of Cash Flows

Proprietary Funds

For the Year Ended June 30, 2015

	Business-type Activities Enterprise Fund	Governmental- type Activities Internal Service Fund Self-Insured Medical Insurance Fund
<u>Cash Flows Provided (Used) by Operations</u>		
Cash received from customers	\$10,870,247	-
Premiums received	-	3,781,726
Cash paid to employees for services	(1,220,666)	-
Cash paid to suppliers of goods and services	(4,967,102)	(3,208,257)
Cash paid for inter-fund borrowing	(315)	-
Cash received for customer deposits	3,000	-
Net Cash Provided (Used) by Operating Activities	4,685,164	573,469
<u>Cash Flows Provided (Used) by Capital Related Financing Activities</u>		
Contributions from customers and others	232,374	-
Purchase of property, plant and equipment	(2,613,498)	-
Interest paid on debt	(693,645)	-
Payments on long-term debt	(1,240,000)	-
Net Cash Used by Capital Related Financing Activities	(4,314,769)	-
<u>Cash Flows Provided (Used) by Investing Activities</u>		
Rents received	48,422	
Interest received on investments	3,676	271
Net Cash Provided (Used) by Investing Activities	52,098	271
Net Increase (Decrease) in Cash	422,493	573,740
Cash, Cash Equivalents and Restricted Cash, Beginning of year	16,526,407	585,490
Cash, Cash Equivalents and Restricted Cash, End of year	<u>\$16,948,900</u>	<u>1,159,230</u>
<u>Reconciliation of Operating Income (Loss) to Net Cash Provided by Operations</u>		
Operating income (loss)	\$2,721,600	488,609
Adjustments to reconcile operating income to net cash provided by operating activities:		
Depreciation and amortization	1,844,026	-
(Increase) decrease in:		
Accounts receivable and other receivables	32,171	15,589
Inventory	118,424	-
Increase (decrease) in:		
Accounts payable	(19,458)	69,271
Accrued expenses	(14,284)	-
Due to other funds	(315)	-
Customer deposits	3,000	-
Net Cash Provided (Used) from Operating Activities	<u>\$4,685,164</u>	<u>573,469</u>
<u>Supplemental Schedule of Non-Cash Capital Financing Activities</u>		
Contributed water and sewer lines	\$131,266	
Amortization of bond premiums	\$41,295	
Amortization of deferred amounts on refundings	(50,425)	
Capitalized interest	171,100	
Debt refunding		
Premium on debt issuance	424,678	
Debt proceeds	6,410,000	
Deposit to escrow fund	(6,739,844)	
Debt issuance costs	(94,834)	

See accompanying notes to financial statements

CITY OF LA VERGNE, TENNESSEE

Notes to Financial Statements

For the Year Ended June 30, 2015

1) SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The City of La Vergne, Tennessee was incorporated on February 1, 1972, under the Uniform City Manager-Commission charter. On May 10, 1988, the City, in a referendum election, approved the Mayor-Aldermanic charter, referenced in Tennessee Code Annotated Section 6-1-101, that replaced the City Manager-Commission charter.

The City provides the following services as authorized by its charter: public safety, highways and streets, cultural and recreation, public improvements, planning and zoning, utilities (water and sewer) and general administrative services. The City also administers an insurance internal service fund for the benefit of its employees.

The financial statements of the City of La Vergne have been prepared in conformity with Generally Accepted Accounting Principles (GAAP) as applied to government units. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. The more significant of the City's accounting policies are described below.

Reporting Entity

In evaluating, how to define the government, for financial reporting purposes, management has considered all potential component units in accordance with the Governmental Accounting Standards Board Statement Number 14. The financial statements present the reporting entity which consists of the primary government, organizations for which the primary government is financially accountable and other organizations for which the nature and significance of their relationship with the primary government are such that exclusion could cause the City's financial statements to be misleading or incomplete. At June 30, 2015, no potential component units were considered to meet the above criteria.

Government-wide and Fund Financial Statements

The government-wide financial statements (i.e., the statement of net position and the statement of changes in net position) report information on all of the activities of the primary government. For the most part, the effect of interfund activity has been removed from these statements. Governmental activities, which normally are supported by taxes and intergovernmental revenues, are reported separately from business-type activities, which rely to a significant extent on fees and charges for support. At June 30, 2015 the City had no fiduciary activities or component units.

The statement of activities demonstrates the degree to which the direct expenses of a given function or segment are offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function or segment. Program revenues include (i) charges to customers or applicants (including fines and fees) who purchase, use or directly benefit from goods, services, or privileges provided by a given function or segment and (ii) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or segment. Taxes, and other items not properly included among program revenues are reported instead as general revenues.

Separate financial statements are provided for governmental funds and proprietary funds. Major individual governmental funds and major individual enterprise funds are reported as separate columns in the fund financial statements.

CITY OF LA VERGNE, TENNESSEE

Notes to Financial Statements (Continued)

For the Year Ended June 30, 2015

1) **SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

Measurement Focus, Basis of Accounting, and Financial Statement Presentation

The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting, as are the proprietary fund financial statements. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Property taxes are recognized as revenues in the year for which they are levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the government considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences and claims and judgments are recorded only when payment is due.

Property taxes, franchise taxes, state shared revenues, and interest associated with the current fiscal period are all considered to be susceptible to accrual and so have been recognized as revenues of the current fiscal period using the criteria specified in the paragraph above. All other revenue items are considered to be measurable and available only when cash is received by the government.

The City reports the following major governmental funds:

The General Fund is the government's primary operating fund. It accounts for all financial resources of the general government, except those required to be accounted for in another fund.

The Highways and Streets Capital Projects Fund is used to account for the financial resources to be used for the acquisition or construction of major government capital assets, improvements or repairs related to the roads and related assets of the City.

The City reports the following major proprietary funds:

The Water & Sewer Fund accounts for the water and waste water services provided to customers of the system.

Additionally, the City reports the following fund types:

Internal service fund, to account for costs associated with the employees' health insurance plan.

As a general rule the effect of interfund activity has been eliminated from the government-wide financial statements. Exceptions to this general rule are charges between the government's utilities and various other functions of the government for which elimination of these charges would distort the direct costs and program revenues reported for the various functions concerned.

CITY OF LA VERGNE, TENNESSEE

Notes to Financial Statements (Continued)

For the Year Ended June 30, 2015

1) SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Measurement Focus, Basis of Accounting, and Financial Statement Presentation, (Continued)

Amounts reported as program revenues include (i) charges to customers or applicants (including fines and fees) for goods, services, or privileges provided, (ii) operating grants and contributions, and (iii) capital grants and contributions. General revenues include all taxes and internally dedicated resources.

Proprietary funds distinguish operating revenues and expenses from non-operating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. The principal operating revenues of the various utility funds and medical benefit fund are charges to customers for sales and services. Operating expenses for enterprise funds and the internal service fund include the cost of sales and services, administrative expenses, and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as non-operating revenues and expenses.

When both restricted and unrestricted resources are available for use, it is the City's policy to use restricted resources first, then unrestricted resources as they are needed.

Cash, Cash Equivalents and Investments

The City of La Vergne is authorized to invest in U.S. Treasury Bills bond or notes, mutual funds and certificates of deposit in local state and federal chartered banks and savings and loan associations as well as participate in the Local Government Investment Pool administered by the State of Tennessee. The pool contains investments in certificates of deposits, U.S. Treasury securities and Repurchase Agreements, backed by the U.S. Treasury Securities. The investment pool is administered by the Treasurer of the State of Tennessee. City of La Vergne policy dictates that collateral meet certain requirements, such as, be deposited in an institution which participates in the State Collateral Pool or be deposited in an escrow account in another institution for the benefit of the City of La Vergne and must be a minimum of 105% of the value of the deposits placed in the institutions less the amount protected by federal deposit insurance. The state collateral pool is administered by the Treasurer of the State of Tennessee. Members of the pool may be required by agreement to pay an assessment to cover any deficiency. At June 30, 2015, all City cash deposits were in checking or pass book accounts at a local bank which participates in the State Collateral Pool.

Cash and cash equivalents consist of cash, savings accounts and short-term certificates of deposit with an original maturity of three months or less. Due to liquidity, the City considers the funds deposited in the local government investment pool as a cash equivalent for financial statement and cash flow purposes. The fair value of the position in the investment pool is the same as the value of the pool shares.

Inventory and Prepaid Items

Inventory of proprietary funds, principally materials, supplies and replacement parts, is valued using the first-in, first-out method (FIFO). Any inventories of governmental funds have been valued at cost also using the first-in, first-out method (FIFO). Inventory of governmental funds are accounted for on the purchase basis. On government-wide financial statements, inventories are expensed when used. Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items in both government-wide and fund financial statements.

CITY OF LA VERGNE, TENNESSEE

Notes to Financial Statements (Continued)

For the Year Ended June 30, 2015

1) SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Receivables and Payables

Activity between funds that are representative of lending/borrowing arrangements outstanding at the end of the fiscal year are referred to as due to/from other funds.

All trade receivables and property tax receivables, are shown net of an allowance for uncollectibles. The property tax receivable allowance is equal to 9 percent of outstanding undeferred receivable.

Capital Assets

Capital assets, which include property, plant, equipment, permanent water storage rights and infrastructure assets consisting of certain improvements other than buildings, including roads, bridges, streets and sidewalks, and drainage systems are reported in the applicable governmental or business-type activities columns in the government-wide financial statements. Capital assets are defined by the government as assets with an initial, individual cost of more than \$5,000 and an estimated useful life in excess of three years. All capital assets are valued at historical cost or estimated historical cost, if actual historical cost is not available. Donated capital assets are valued at their estimated fair value on the date donated.

The cost of normal maintenance and repairs that do not add to the value of the asset or materially extend asset lives are not capitalized.

Interest incurred during the construction phase of capital assets of business-type activities is included as part of the capitalized value of the assets constructed. There was \$170,100 in capitalized interest in fiscal year 2015 in the Water and Sewer Fund. The Water and Sewer Fund incurred \$673,870 in interest costs during the year.

Depreciation has been provided over estimated useful lives using the straight-line method.

The estimated useful lives are as follows:

Infrastructure (roads, bridges)	15-40 years
Buildings	25-50 years
Distribution systems	10-50 years
Equipment	3-10 years
Furniture and fixtures	3-10 years

Claims Payable

Medical insurance claims payable are classified as accounts payable and are recorded in accordance with GASB Statement Number 10.

Appropriations

Appropriations to other funds are accounted for as inter-fund transfers in the governmental fund statements, and are eliminated in the government-wide statements. Transactions that constitute reimbursements to a fund for expenditures initially made from it that are properly applicable to another fund. These are recorded as revenues in the fund being reimbursed and expenses in the fund reimbursing.

CITY OF LA VERGNE, TENNESSEE

Notes to Financial Statements (Continued)

For the Year Ended June 30, 2015

1) SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Compensated Absences

City policy permits the accumulation within certain limitations, of vacation and sick leave. Vacation leave may accumulate to a maximum of 30 days. Sick leave accumulation is unlimited. No amounts of sick days are vested in the event of employee termination.

All vacation pay is accrued when incurred in the government-wide and proprietary fund financial statements. A liability for these amounts is reported in governmental funds only if they have matured, for example, as a result of employee terminations or retirements. Governmental funds compensated absences are generally liquidated by the General Fund.

Long-term Obligations

In the government-wide financial statements, and proprietary fund types in the fund financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities, business-type activities, or proprietary fund type statement of net position.

Bond and note premiums and discounts, are deferred and amortized over the life of the bonds using the straight-line method. Loss or refunding is reported as deferred outflows of resources and amortized over the shorter period of the old or new debt.

In the fund financial statements, governmental fund types recognize bond premiums and discounts, during the current period. The face amount of debt issued and premiums received on debt issuance are reported as other financing sources, while discounts on debt issuances are reported as other financing uses. Issuance costs are reported as current period costs in the year of issuance in all financial statements.

Deferred Outflows/Inflows of Resources

In addition to assets, the statement of financial position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, *deferred outflows of resources*, represents a consumption of net position that applies to a future period(s) and so will not be recognized as an outflow of resources (expense/expenditure) until then. The City currently has one item which qualifies for reporting in this category. Deferred charges on refunding are reported in the government-wide financial statement of net position. A deferred charge on refunding results from the difference in the carrying value of refunded debt and its acquisition price. This amount is deferred and amortized over the shorter of the life of the refunded or refunding debt.

In addition to liabilities, the statement of financial position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, *deferred inflows of resources*, represents an acquisition of net position that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time. The *unavailable revenue* reported in the governmental funds balance sheet represents amounts that are deferred and recognized as an inflow of resources in the periods that the amounts become available. The unavailable revenue reported in the statement of net position consists primarily of assessed and unlevied property taxes and income taxes, and arises from imposed non-exchange revenues (property taxes) which are assessed prior to the end of the year but levied the subsequent year.

CITY OF LA VERGNE, TENNESSEE

Notes to Financial Statements (Continued)

For the Year Ended June 30, 2015

1) SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Equity Classification

In the government-wide financial statements, equity is shown as net position and classified into three components:

Net investment in capital assets – Capital assets, net of accumulated depreciation and reduced by the outstanding balances of any bonds, mortgage notes, or other borrowings that are attributable to the acquisition, construction, or improvement of those assets.

Restricted net position – Net position with constraints placed on their use either by (1) external groups such as creditors, grantors, contributors, or laws or regulations of other governments; (2) law through constitutional provisions or enabling legislation. When both restricted and unrestricted resources are available for use, it is the City's practice to use restricted resources first and then unrestricted resources as they are needed.

Unrestricted net position – All other net position that does not meet the definition of "restricted" or "net investment in capital assets."

Fund Balance

In accordance with Governmental Accounting Standard Board (GASB) Statement 54, fund balance is reported in the fund financial statements under the following categories. *Nonspendable fund balance* represents amounts that are required to be maintained intact, such as inventories and prepaid items. *Restricted fund balance* is that portion of fund balance that can be spent only for the specific purposes stipulated by external resource or through enabling legislation. *Committed fund balance* includes amounts constrained to specific purposes as determined by formal action of the City using its highest level of decision-making authority, an ordinance by the City Board. Conversely, to rescind or modify a fund balance commitment, action by the City Board is also required. *Assigned fund balance* amounts are intended to be used by the City for specific purposes but do not meet the criteria to be restricted or committed. Intent may be stipulated by the Board, by resolution. Appropriations of fund balance to eliminate projected budgetary deficits in the subsequent year's budget are presented as assignments of fund balance, if applicable. *Unassigned fund balance* is the residual classification of the General Fund.

It is the City's policy to first use the restricted fund balance when an expenditure is incurred for purposes for which both restricted and unrestricted funds are available. The City's policy for the use of unrestricted fund balance amounts require that committed amounts would be reduced first, followed by assigned amounts and then unassigned amounts when expenditures are incurred for purposes for which amounts in any of those unrestricted fund balance classifications could be used.

Property Tax

The City's property tax is levied each October 1 on the assessed value listed as of the prior January 1 for all real and personal property located in the City's legal boundaries. Property taxes are secured by a statutory lien effective as of the original assessment date of January 1, and as such, an enforceable legal claim to the subsequent fiscal year levy exists at year end. Assessed values are established by the State of Tennessee at the following rates of assessed market value:

Industrial and Commercial Property

- Real	40%
- Personal	30%

Public Utility Property	55%
Farm and Residential Property	25%

Taxes were levied at a rate of \$.975 per \$100 and \$1.00 per \$100 of assessed valuation for tax year 2015 and tax year 2014, respectively. Payments may be made during the period from October 1 through February 28. Current tax collections of \$7,852,527 for the fiscal year ended June 30, 2015 were approximately 98 percent of the tax levy. Delinquent taxes past due for fourteen months are turned over to the county clerk for collection.

CITY OF LA VERGNE, TENNESSEE

Notes to Financial Statements (Continued)

For the Year Ended June 30, 2015

1) SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Property Tax (Continued)

The government-wide financial statements report property taxes receivable of \$8,025,026 which is net of an allowance for doubtful collections of \$51,647. Of this receivable amount, \$426,673 represents prior year property taxes, \$7,650,000 represents the estimated net realizable 2015 property taxes assessed but which will not be levied until the subsequent fiscal year, and which are included in deferred inflow of resources. The receivable reported in the governmental funds balance sheet is \$8,076,673 with an offsetting deferred inflow of resources for amounts not available at June 30, 2015. The amount included in other taxes receivable reported in the statements of \$219,127 is for beer, business, liquor, and hotel-motel taxes.

2) DEPOSITS AND INVESTMENTS

Deposits

Custodial credit risk for deposits is the risk that in the event of a bank failure, the City's deposits may not be returned or the City will not be able to recover collateral securities in the possession of an outside party. The City's policy requires deposits to be 105 percent secured by collateral, less the amount of Federal Deposit Insurance Corporation insurance (FDIC) or deposited in an institution which participates in the State Collateral Pool. Deposited funds may be invested in certificates of deposit in institutions with an established record of fiscal health and service. Collateral agreements must be approved prior to deposit of funds as provided by law. The City approves and designates a list of authorized depository institutions based on evaluation of solicited responses and certifications provided by financial institutions and recommendations of City staff. At June 30, 2015, there were no amounts exposed to custodial credit risk.

Investments

At June 30, 2015, the City had no investments.

3) CAPITAL ASSETS

Governmental Activities

Capital assets activity for the year ended June 30, 2015 was as follows:

Asset	Balance July 1, 2014	Increases	Decreases	Reclasses	Balance June 30, 2015
<u>Capital assets not being depreciated:</u>					
Land	\$ 5,425,042	-	-	-	5,425,042
Construction in process	177,873	115,214	-	-	293,087
<u>Capital assets being depreciated:</u>					
Buildings	8,660,249	255,135	-	-	8,915,384
Improvements other than buildings	6,967,026	111	-	-	6,967,137
Equipment	11,785,294	4,908,800	(1,139)	-	16,692,955
Infrastructure	69,361,110	219,699	-	-	69,580,809
Total	\$ 102,376,594	5,498,959	(1,139)	-	107,874,414
<u>Accumulated Depreciation</u>					
Buildings	\$ 2,523,740	222,686	-	-	2,746,426
Improvements other than buildings	2,546,926	183,161	-	-	2,730,087
Equipment	6,216,089	1,090,381	(1,339)	-	7,305,331
Infrastructure	25,544,234	1,506,309	-	-	27,050,543
Total accumulated depreciation	\$ 36,830,989	3,002,537	(1,339)	-	39,832,387
Governmental activities capital assets – net	\$ 65,545,605				68,042,027

CITY OF LA VERGNE, TENNESSEE

Notes to Financial Statements (Continued)

For the Year Ended June 30, 2015

3) CAPITAL ASSETS (Continued)

Depreciation expense was charged to functions/programs of the primary government as follows:

General Government	\$ 104,428
Public Safety	
Police	714,388
Fire	230,662
Highways and Streets	1,562,007
Stormwater	90,448
Health and Welfare	1,672
Recreation	218,990
Library	<u>79,942</u>
	\$ <u>3,002,537</u>

Current year additions included \$203,609 of donated improvements from developers.

Business-Type Activities:

Capital assets of the Enterprise Fund consisted of the following at June 30, 2015:

Asset	Balance July 1, 2014	Increases	Decreases	Reclasses	Balance June 30, 2015
<u>Capital assets not being depreciated:</u>					
Land	\$ 976,993	-	-	-	976,993
Water storage rights	1,636,695	-	-	-	1,636,695
Construction in progress	2,255,694	2,539,164	-	(4,628,880)	165,978
<u>Capital assets being depreciated:</u>					
Utility plant and buildings	63,493,950	131,296	-	4,628,880	68,254,126
Machinery and equipment	<u>6,399,253</u>	<u>244,404</u>	-	-	<u>6,643,657</u>
Total capital assets	<u>74,762,585</u>	<u>2,914,864</u>	-	-	<u>77,677,449</u>
<u>Less accumulated depreciation:</u>					
Utility plant and buildings	21,991,536	1,598,148	-	-	23,589,684
Machinery and equipment	<u>4,859,368</u>	<u>245,878</u>	-	-	<u>5,105,246</u>
Net capital assets	<u>\$47,911,681</u>	<u>1,070,838</u>	-	-	<u>48,982,519</u>

Depreciation expense for 2015 amounted to \$1,844,026.

4) RECEIVABLES

A summary of receivables at June 30, 2015 is as follows:

	Major Governmental Fund	Nonmajor Funds	Water and Sewer Fund	Self Insured Medical Insurance Fund	Total
Property tax	\$ 8,076,673	-	-	-	8,076,673
Other taxes	219,127	-	-	-	219,127
Customer & other	1,088	87,715	2,760,939	46,843	2,896,585
Other governments	1,819,608	165,828	-	-	1,985,436
Less allowance	<u>(51,647)</u>	-	<u>(554,189)</u>	-	<u>(605,836)</u>
Total	\$ <u>10,064,849</u>	<u>253,543</u>	<u>2,206,750</u>	<u>46,843</u>	<u>12,571,985</u>

CITY OF LA VERGNE, TENNESSEE

Notes to Financial Statements (Continued)

For the Year Ended June 30, 2015

5) DEFERRED OUTFLOWS AND INFLOWS OF RESOURCES

Deferred inflows of resources consist of amounts that are unavailable to liquidate liabilities of the current period. At June 30, 2015 the various components of deferred outflows and inflows of resources were as follows:

	Government-wide Statements
<u>Deferred outflows of resources</u>	
Deferred charge on refunding	\$ <u>386,237</u>
<u>Deferred inflows of resources</u>	
Property taxes	
2015 assessed and unlevied	\$ 7,650,000
Estimated 2015 Hall Income Tax	<u>82,270</u>
	\$ <u>7,732,270</u>

In the fund statements, deferred inflows of resources in the Proprietary Fund consists of deferred amounts on refunding. The deferred inflows of resources in the governmental funds of \$8,141,558 consist of unlevied property taxes of \$7,650,000, delinquent property taxes of \$409,288 and unavailable shared state and local taxes of \$82,270.

6) LONG-TERM DEBT AND OTHER OBLIGATIONS PAYABLE

The government issues general obligation bonds and notes to provide funds for the acquisition and construction of major capital facilities for general government purposes. These bonds are paid from the General and certain capital project funds.

The government also issues bonds where the government pledges income derived from the acquired or constructed assets to pay debt service. These bonds related to the Water and Sewer Enterprise Fund. Should water and sewer revenues be insufficient to pay the debt service, the debt is payable from the taxing authority of the City.

The following is a summary of changes in long-term liabilities for the year ended June 30, 2015:

	Balance July 1, 2014	Additions	Reductions	Balance June 30, 2015	Payable Within One Year
<u>Governmental Activities:</u>					
General obligations bonds	\$ 10,380,000	8,050,000	2,925,000	15,505,000	1,185,000
Capital outlay note	503,100	-	249,492	253,608	253,608
Capital lease obligation	2,716,039	-	468,502	2,247,537	476,021
Obligation to state	1,590,909	-	-	1,590,909	318,182
Compensated absences	307,685	291,781	238,025	361,441	320,000
Total	\$ 15,497,733	<u>8,341,781</u>	<u>3,881,019</u>	19,958,495	<u>2,552,811</u>
Bond premiums	7,210	<u>135,145</u>	<u>16,409</u>	<u>125,946</u>	
	\$ <u>15,504,943</u>			<u>20,084,441</u>	
<u>Business-type Activities:</u>					
Revenue and tax bonds	\$ 23,190,000	<u>6,410,000</u>	<u>7,800,000</u>	21,800,000	<u>1,255,000</u>
Bond premiums	129,529	<u>424,678</u>	<u>68,895</u>	<u>485,312</u>	
	\$ <u>23,319,529</u>			<u>22,285,312</u>	

CITY OF LA VERGNE, TENNESSEE

Notes to Financial Statements (Continued)

For the Year Ended June 30, 2015

6) LONG-TERM DEBT AND OTHER OBLIGATIONS PAYABLE (Continued)

Long-term debt payable at June 30, 2015 is comprised of the following:

Governmental Activities

2002 General Obligation Refunding Bonds (\$1,415,000) due in annual installments through 2022. Interest accrues at 1.55% to 3.92%.	\$ 65,000
2007 Public Improvement Bonds (\$5,625,000) due in annual installments through October 2021. Interest accrues at 3.373% to 3.85%.	3,485,000
2009 General Obligation Public Improvement Bonds (\$4,125,000) due in annual installments through June 2024. Interest accrues at an average rate of 3.639%.	4,000,000
2014 General Obligation Refunding Bonds (\$2,630,000) due in annual installments through 2025. Interest accrues at 2% to 3%.	2,535,000
2015 General Obligation Refunding Bonds (\$5,420,000) due in annual installments through 2035. Interest accrues at 2% to 3.25%.	5,420,000
2012 Capital Outlay note (\$990,000) due in annual installments through June 2016. Interest accrues at a rate of 1.65%.	253,608
Obligation payable to the State of Tennessee related to road improvements, proposed to be paid in annual installments of \$381,182 beginning in fiscal year 2016.	<u>1,590,909</u>
Total Governmental Activities	\$ <u>17,349,517</u>

Business-type activities

2007 Water and Sewer Revenue and Tax Bonds (\$3,615,000) due in annual installments through June 2022. Interest accrues at 3.375% to 3.85%.	\$ 2,560,000
2015 Water and Sewer Revenue and Tax Refunding Bonds (\$13,585,000) due in annual installments through March 2033. Interest accrues at 2.0% to 3.3%.	12,925,000
2014 Water and Sewer Revenue and Tax Refunding Bonds (\$6,410,000) due in annual installments through 2025. Interest accrues at 2% to 3%.	<u>6,315,000</u>
Total Business-type activities	\$ <u>21,800,000</u>

The annual requirements to amortize all bonds and notes outstanding as of June 30, 2015 including interest payments are as follows:

<u>Year</u>		Enterprise	General	<u>Interest</u>	<u>Total</u>
		Fund <u>Bonds</u>	Long Term Obligations <u>Notes & Bonds</u>		
2016	\$	1,255,000	1,756,790	1,110,135	4,121,925
2017		1,225,000	1,638,182	1,031,147	3,894,329
2018		1,250,000	1,708,182	964,351	3,922,533
2019		1,255,000	1,733,182	882,704	3,870,886
2020		1,240,000	1,763,181	802,138	3,805,319
2021-2025		6,105,000	5,660,000	2,848,533	14,613,533
2026-2030		6,100,000	1,440,000	1,490,057	9,030,057
2031-2035		<u>3,370,000</u>	<u>1,650,000</u>	<u>382,355</u>	<u>5,402,355</u>
	\$	<u>21,800,000</u>	<u>17,349,517</u>	<u>9,511,420</u>	<u>48,660,937</u>

CITY OF LA VERGNE, TENNESSEE

Notes to Financial Statements (Continued)

For the Year Ended June 30, 2015

6) LONG-TERM DEBT AND OTHER OBLIGATIONS PAYABLE (Continued)

Advance Refundings

During 2015, the City issued general obligation refunding bonds (\$2,630,000), and water and sewer revenue and tax bonds (\$6,410,000), series 2014 (new debt). Proceeds of the issue were deposited to an irrevocable escrow account with a third party trustee to effect an in substance defeasance of \$1,860,000 general obligation, and \$6,560,000 water and sewer bonds, series 2005 (old debt). The refunding reduced debt service by \$200,535 in general obligation debt and \$700,406 in water and sewer debt. The net present value benefit was \$180,298 general obligation and \$615,556 water and sewer. The advance refunding resulted in a defeasance loss of \$46,091 general obligation and \$152,244 water and sewer, that is being amortized over the life of the old debt.

The City's refunding issues that have underlying refunded debt outstanding at June 30, 2015, consisted of the following:

Defeased Debt	
<u>Description of Issues Refunded</u>	<u>Balance 6/30/2015</u>
Water and Sewer Revenue and Tax Bonds 2002	\$ 245,000
Water and Sewer Revenue and Tax Bonds 2001	2,520,000
General Obligation Bonds 2001	3,450,000

The 2005 Series bonds refunded in the current year, were defeased in August 2014 and paid off from escrow in April 2015 and were not outstanding at June 30, 2015.

Debt Coverage

The Water and Sewer Revenue and Tax Bonds do not require specific debt coverage ratios. The revenue of the system as well as the taxing authority of the City secure the debt.

The City entered into leases for the purchase of certain public safety communications equipment and police cars. The leases require repayment terms and have been accounted for as financing transactions. The City will have title to the assets by satisfying the minimum lease payments. The assets acquired through the capital lease are as follows:

	<u>Governmental Activities</u>
Police cars	\$ 568,501
Communication equipment	2,864,401
Total	\$ 3,432,902
Less accumulated depreciation	(1,153,680)
	<u>\$ 2,279,222</u>

The future minimum lease obligations and net present value of those payments are as follows:

	<u>Lease Obligations</u>					<u>Total</u>
2016	\$ 163,340	129,053	37,551	149,591	65,270	544,805
2017	163,339	129,053	37,551	-	65,270	395,213
2018	163,340	129,053	37,551	-	65,270	395,214
2019	163,339	129,053	-	-	65,270	357,662
2020	163,340	129,053	-	-	62,270	354,663
2021-2024	<u>163,339</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>264,075</u>	<u>427,414</u>
	980,037	645,265	112,653	149,591	587,425	2,474,971
Less amount representing interest	(63,866)	(86,377)	(10,365)	(6,028)	(60,798)	(227,434)
Present value of lease obligations	<u>\$ 916,171</u>	<u>558,888</u>	<u>102,288</u>	<u>143,563</u>	<u>526,627</u>	<u>2,247,537</u>

CITY OF LA VERGNE, TENNESSEE

Notes to Financial Statements (Continued)

For the Year Ended June 30, 2015

7) DEFINED CONTRIBUTION PENSION PLAN AND DEFERRED COMPENSATION PLAN

The City provides pension benefits for all of its full-time employees through its money purchase pension plan (City of La Vergne 401 Money Purchase Pension Plan), a defined contribution plan. In a defined contribution plan, benefits depend solely on amounts contributed to the plan plus investment earnings. Employees who have reached the minimum age of twenty-one are eligible to participate. Employees are eligible after 90 days. Monthly contributions of 1% of gross wages are required of all participants. The City of La Vergne contributes on behalf of each participant 4.5% of gross wages. The plan is administered by ICMA Retirement Corporation. The Board of Aldermen may make changes to the plan by Board resolutions. A separate audited financial report is not available for the plan.

The City's total payroll in fiscal year 2015 was \$8,809,751. The City's contributions were calculated using the base salary amount of \$5,671,786.

The contributions to the plan by the City for the year ended June 30, 2015 were \$255,529, and total contributions by employees were \$56,718.

Deferred Compensation Plan

The City offers its employees a deferred compensation plan created in accordance with Internal Revenue Service Code Section 457. The plan, available to all City employees, permits them to defer a portion of their salary until future years. Participation in the plan is optional. The deferred compensation is not available to employees until termination, retirement, death or unforeseeable emergency. The City has no fiduciary responsibility under the provisions of the Plan. The Plan specifically provides that all assets under the Plan and all income attributable to those assets are solely the property of the employee.

8) COMMITMENTS AND CONTINGENCIES

Litigation

The City is presently involved in certain matters of litigation that have arisen in the normal course of conducting City business. Some of these matters will be covered by the City's insurance programs should unfavorable outcomes materialize. City management believes, based upon consultation with the City Attorney, that these cases, in the aggregate, are not expected to result in a material adverse financial impact on the City.

Contractual Agreements

The City is under contract with the Metropolitan Government of Nashville and Davidson County, Tennessee (Metro) to provide sewer treatment services for its customers. The City paid \$ 1,612,302 under the contract for 2015. The contract is through November 2019.

The City has a contract with an engineering company to provide for operating services of the water treatment plant. The contract provides for a monthly charge plus an amount for excess maintenance and utilities. The contract is through February 2016 and during fiscal 2015 the City paid \$1,717,694 under the contract. The current annual base amount is \$1,744,089.

Construction Contracts

The City has several utility related contracts which total approximately \$702,000 which were approximately 60% complete at June 30, 2015.

Grant Programs

The City participates in federally assisted grant programs. These programs are subject to program compliance audits by the grantors or their representatives. The City is potentially liable for any expenditures which may be disallowed pursuant to the terms of these grant programs.

CITY OF LA VERGNE, TENNESSEE

Notes to Financial Statements (Continued)

For the Year Ended June 30, 2015

8) COMMITMENTS AND CONTINGENCIES, Continued

Contingencies

The City previously participated in the Local Government Insurance Cooperative (LOGIC), a public entity risk pool that operated as a common risk management and workers' compensation insurance program for approximately one hundred governmental entities. LOGIC was self-sustaining through member premiums and also obtained specific excess and aggregate excess coverage through a commercial insurance company. The City has learned the commercial insurance company is in bankruptcy, and the City may be assessed by LOGIC to help cover claims incurred during the City's participation. All known assessments have accrued. The City does not believe, based on current information, any potential future assessments would be material to the City's financial statements.

The State of Tennessee Department of Transportation claims the City owes \$1,590,909 in costs related to improvements to a road completed in 2014. This claim is included in the general long term debt of the City. The City expects to pay the liability over future years beginning in fiscal year 2016. In reviewing these costs subsequent to the State making the claim, the City believes costs in the amount of \$747,025 could have been mistakenly charged to the project and has filed a complaint against the State to resolve this issue. No provision has been made in the financial statements related to the City's claim.

9) INTERFUND TRANSACTIONS

Interfund receivables and payables are attributable to obligations for operating transfers between funds. The consolidation of the internal service fund resulted in an internal balance of \$516,675.

Interfund transfers for the year ended June 30, 2015 are attributable to the budgeted allocation of resources from one fund to another and consist of the following:

	Transfer In		
	Other Governmental Funds		
	Senior Citizens Fund	Drug Enforcement Fund	Highways and Streets Capital Projects Fund
<u>Transfer from:</u>			
General Fund	\$ 60,000	30,000	1,220,000

10) RISK MANAGEMENT

The City has chosen to establish the Self Insured Medical Insurance Fund (internal service fund) for risks associated with the employees' health insurance plan. The fund is accounted for as an internal service fund where assets are set aside for claim settlements. The City retains the risk of loss to a limit of \$75,000 per employee, and \$2,834,497 aggregate annual cap. The City has obtained a stop/loss commercial insurance policy to cover claims beyond this liability. All full-time employees of the government are eligible to participate. A premium charge is allocated to each fund that accounts for full-time employees. This charge is based on estimates made by an outside insurance consultant of the amounts needed to pay prior and current year claims and to establish an amount for catastrophic losses. Liabilities of the fund are reported when it is probable that a loss has occurred and the amount of the loss can be reasonably estimated. The Fund establishes claims liabilities based on estimates of the ultimate cost of claims that have been reported but not settled, and of claims that have been incurred but not reported. The process used to compute claims liabilities does not necessarily result in an exact amount. For the government-wide statements the activity and assets and liabilities of this fund have been allocated to the participating funds.

Changes in the balance of claims liabilities during the past three fiscal years are as follows:

	<u>Beginning-of-Fiscal-Year Liability</u>	<u>Current Year Claims and Changes in Estimates</u>	<u>Claim Payments</u>	<u>Fiscal Year-End</u>
2012-2013	260,840	2,652,249	(2,744,947)	168,142
2013-2014	168,142	3,023,141	(3,042,402)	148,881
2014-2015	148,881	3,052,963	(3,419,997)	218,153

CITY OF LA VERGNE, TENNESSEE

Notes to Financial Statements (Continued)

For the Year Ended June 30, 2015

10) RISK MANAGEMENT, Continued

The City is exposed to various other risks and losses. The City deemed it was more economically feasible to participate in a public entity risk pool as opposed to purchasing commercial insurance for general liability, property and casualty, and workers compensation coverage. The City participates in the TML Insurance Pool which is a public entity risk pool established by the Tennessee Municipal League, an association of member Cities. The City pays an annual premium to the TML for its general liability, property and casualty and workers compensation insurance coverage. The creation of the pool provides for it to be self-sustaining through member premiums. The pool reinsures through commercial insurance companies for claims in excess of certain amounts for each insured event. Settled claims from these losses have not exceeded insurance coverage in any of the past three fiscal years.

11) BUDGET COMPLIANCE AND ACCOUNTABILITY

The City of La Vergne is required by State statute to adopt an annual budget. The City legally adopts budgets for all governmental funds. These budgets are prepared on the basis that current available funds must be sufficient to meet current expenditures. Expenditures may not legally exceed appropriations authorized by the Board of Mayor and Aldermen. The City's budgetary basis is consistent with generally accepted accounting principles. The legal level of budgetary control is at the department level. Any changes to departmental total budgets must be approved by the council.

The City follows these procedures in establishing the budgetary data reflected in the financial statements.

1. The City Administrator submits to the Board of Mayor and Aldermen a proposed operating budget for the fiscal year commencing July 1. The operating departmental budget establishes the budgetary level of control for the proposed expenditures and the means of financing them.
2. Public hearings are conducted at the City Hall to obtain taxpayer comments.
3. Prior to June 30, the budget is legally enacted through passage of an ordinance. In no event shall the total appropriations for any fund included in the budget exceed the estimated revenues and unappropriated fund balance.
4. Formal budgetary integration is employed as a management control device during the year for all governmental fund types.
5. Budgets are adopted on a basis generally consistent with generally accepted accounting principles (GAAP). These budget appropriations lapse at year end.

During the fiscal year, the General Fund original budget was amended by increasing budgeted expenditures \$3,437,658 or 17.8%. The primary amendments related to Public Safety expenditures of \$3,097,541. The original budgets for the nonmajor governmental funds were increased by \$125,000 primarily related to grant projects, street lighting and maintenance. The major governmental fund Capital Project Fund expenditure budget was amended by \$209,000 for capital projects and transfers were increased \$1,220,000 to fund projects that were delayed until the next fiscal year.

CITY OF LA VERGNE, TENNESSEE

Notes to Financial Statements (Continued)

For the Year Ended June 30, 2015

12) SUBSEQUENT EVENTS

Subsequent to year end, the City was awarded a federal grant for approximately \$120,000 for fire department related equipment. The grant requires a 10% match from the City.

NONMAJOR GOVERNMENT FUNDS

State Street Aid Fund accounts for the state shared gasoline taxes and the usage of these monies for street maintenance.

Drug Enforcement Fund accounts for drug fines and grants received and usage of those monies to further drug education and investigations.

Stormwater Fund accounts for fees collected specifically to provide funds to address stormwater run-off.

Problem Solving/Redeployment Fund accounts for revenues from grants received for the purpose of deterring crime and the expenditures related to the grant.

Senior Citizens Fund accounts for grant revenues and expenditures related to the operation of the senior citizens center.

Police Impact Fee Fund accounts for fees collected specifically to provide funds for public safety capital items.

Parks and Recreation Improvement Fund accounts for revenues, primarily impact fees, and expenditures associated with the construction and improvement of parks and recreational facilities.

CITY OF LA VERGNE, TENNESSEE

Combining Balance Sheet

Nonmajor Governmental Funds

June 30, 2015

	Special Revenue Funds					Capital Projects Funds		Total
	State Street Aid Fund	Drug Enforcement Fund	Stormwater Fund	Problem Solving Redeployment Grant Fund	Senior Citizens Fund	Police Impact Fee Fund	Parks and Recreation Improvement Fund	
<u>Assets</u>								
Cash in bank	\$972,031	226,653	3,578,598	37,019	6,087	81,603	409,633	5,311,624
Accounts receivable	-	-	87,715	-	-	-	-	87,715
Due from other governments	157,664	3,664	-	-	4,500	-	-	165,828
Total Assets	<u>\$1,129,695</u>	<u>230,317</u>	<u>3,666,313</u>	<u>37,019</u>	<u>10,587</u>	<u>81,603</u>	<u>409,633</u>	<u>5,565,167</u>
<u>Liabilities and Fund Balance</u>								
Liabilities:								
Accounts payable	\$25,090	18,208	1,448	5,889	1,083	-	-	51,718
Accrued liabilities	-	35,602	4,237	-	-	-	-	39,839
Total Liabilities	<u>25,090</u>	<u>53,810</u>	<u>5,685</u>	<u>5,889</u>	<u>1,083</u>	<u>-</u>	<u>-</u>	<u>91,557</u>
Fund balance:								
Restricted	<u>1,104,605</u>	<u>176,507</u>	<u>3,660,628</u>	<u>31,130</u>	<u>9,504</u>	<u>81,603</u>	<u>409,633</u>	<u>5,473,610</u>
Total Fund Balance	<u>1,104,605</u>	<u>176,507</u>	<u>3,660,628</u>	<u>31,130</u>	<u>9,504</u>	<u>81,603</u>	<u>409,633</u>	<u>5,473,610</u>
Total Liabilities and Fund Balance	<u>\$1,129,695</u>	<u>230,317</u>	<u>3,666,313</u>	<u>37,019</u>	<u>10,587</u>	<u>81,603</u>	<u>409,633</u>	<u>5,565,167</u>

CITY OF LA VERGNE, TENNESSEE
Combining Statement of Revenues, Expenditures
and Changes in Fund Balances
Nonmajor Governmental Funds
For the Year Ended June 30, 2015

	Special Revenue Funds					Capital Projects Funds		
	State Street Aid Fund	Drug Enforcement Fund	Stormwater Fund	Problem Solving Redeployment Grant Fund	Senior Citizens Fund	Police Impact Fee Fund	Parks and Recreation Improvement Fund	Total
Revenues:								
Intergovernmental:								
State gasoline and motor fuel taxes	\$860,382	-	-	-	-	-	-	860,382
Grants and appropriations	-	25,653	-	21,846	72,998	-	2,882	123,379
Total Intergovernmental	860,382	25,653	-	21,846	72,998	-	2,882	983,761
Fines, forfeitures and seizures	-	77,491	-	-	-	-	-	77,491
Licenses and permits	-	-	1,056,773	-	-	43,924	18,660	1,119,357
Uses of Money and Property:								
Interest	389	81	1,623	12	31	42	196	2,374
Program revenue	-	-	-	-	6,687	-	-	6,687
Total Uses of Money and Property	389	81	1,623	12	6,718	42	196	9,061
Other Revenues - called bonds / contributions	3,543	-	-	-	2,090	-	-	5,633
Total Revenues	864,314	103,225	1,058,396	21,858	81,806	43,966	21,738	2,195,303
Expenditures:								
Current:								
Public safety	-	79,682	-	24,649	-	291	-	104,622
Highways and Streets	706,113	-	-	-	-	-	-	706,113
Health and welfare	-	-	-	-	132,052	-	-	132,052
Recreation	-	-	-	-	-	-	556	556
Stormwater	-	-	643,403	-	-	-	-	643,403
Total Current	706,113	79,682	643,403	24,649	132,052	291	556	1,586,746
Capital outlay	-	18,400	12,950	-	-	-	3,714	35,064
Debt service	223,273	-	-	-	-	-	-	223,273
Total Expenditures	929,386	98,082	656,353	24,649	132,052	291	4,270	1,845,083
Excess (deficiency) of revenues over expenditures	(65,072)	5,143	402,043	(2,791)	(50,246)	43,675	17,468	350,220
Other Financing Sources (Uses):								
Transfer in (out)	-	30,000	-	-	60,000	-	-	90,000
Net Change in Fund Balance	(65,072)	35,143	402,043	(2,791)	9,754	43,675	17,468	440,220
Fund Balance, Beginning of year	1,169,677	141,364	3,258,585	33,921	(250)	37,928	392,165	5,033,390
Fund Balance, End of Year	\$1,104,605	176,507	3,660,628	31,130	9,504	81,603	409,633	5,473,610

CITY OF LA VERGNE, TENNESSEE

**Schedule of Revenues, Expenditures and Changes in
Fund Balance - Budget (GAAP Basis) and Actual**

State Street Aid Fund

For the Year Ended June 30, 2015

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Revenues:				
Intergovernmental:				
State gasoline and motor fuel tax and fees	850,000	850,000	860,382 *	10,382
Uses of Money and Property:				
Interest	800	800	389	(411)
Other revenue - called bonds, miscellaneous	-	-	3,543	3,543
Total Revenues	850,800	850,800	864,314	13,514
Expenditures:				
Current:				
Street maintenance - repairs	299,874	314,000	312,967	1,033
Lighting	300,000	404,574	393,146	11,428
Total Current	599,874	718,574	706,113	12,461
Capital outlay	-	-	-	-
Debt service				
Principal	76,800	76,800	76,800	-
Interest	174,126	147,426	146,473	953
Total Debt service	250,926	224,226	223,273	953
Total Expenditures	850,800	942,800	929,386	13,414
Excess (deficiency) of revenues over expenditures	-	(92,000)	(65,072)	26,928
Other Financing Sources (Uses):				
Transfer in (out)	-	92,000	-	(92,000)
Net Change in Fund Balance	-	-	(65,072)	(65,072)
Fund Balance, Beginning of Year	1,169,677	1,169,677	1,169,677	-
Fund Balance, End of Year	<u>\$1,169,677</u>	<u>1,169,677</u>	<u>1,104,605</u>	<u>(65,072)</u>

* Gas1989 tax	\$94,712
Gas 3 cent tax	\$175,786
Gasoline & motor fuel city tax	589,884
	<u>\$860,382</u>

CITY OF LA VERGNE, TENNESSEE

**Schedule of Revenues, Expenditures and Changes in
Fund Balance - Budget (GAAP Basis) and Actual**

Drug Enforcement Fund

For the Year Ended June 30, 2015

	Budgeted Amounts		Actual	Variance with
	Original	Final	Amounts	Final Budget Positive (Negative)
Revenues:				
Intergovernmental:				
Grants	\$35,000	35,000	25,653	(9,347)
Fines forfeitures and seizures	37,000	37,000	77,491	40,491
Uses of Money and Property:				
Interest	50	50	81	31
Total Revenue	72,050	72,050	103,225	31,175
Expenditures:				
Current:				
Public Safety:				
Confiscated cash appealed	-	-	10,344	(10,344)
DARE program	7,500	7,500	9,782	(2,282)
Investigative operations	30,000	30,000	14,675	15,325
Training and travel	9,750	9,750	9,739	11
Drug K-9 operations	30,000	30,000	9,116	20,884
Drug enforcement supplies	44,750	44,750	26,026	18,724
Total Current	122,000	122,000	79,682	42,318
Capital outlay	20,000	20,000	18,400	1,600
Total Expenditures	142,000	142,000	98,082	43,918
Excess (deficiency) of revenues over expenditures	(69,950)	(69,950)	5,143	75,093
Other Financing Sources (Uses):				
Transfer in (out)	30,000	30,000	30,000	-
Net Change in Fund Balance	(39,950)	(39,950)	35,143	75,093
Fund Balance, Beginning of Year	141,364	141,364	141,364	-
Fund Balance, End of Year	\$101,414	101,414	176,507	75,093

CITY OF LA VERGNE, TENNESSEE

**Schedule of Revenues, Expenditures and Changes in
Fund Balance - Budget (GAAP Basis) and Actual**

Stormwater Fund

For the Year Ended June 30, 2015

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Licenses and permits	\$1,090,000	1,090,000	1,056,773	(33,227)
Uses of money and property:				
Interest	1,500	1,500	1,623	123
Total Revenues	1,091,500	1,091,500	1,058,396	(33,104)
Expenditures:				
Stormwater:				
Current:				
Salaries and wages	359,635	359,635	337,025	22,610
Benefits	157,246	157,246	129,877	27,369
Supplies	85,600	85,600	39,264	46,336
Repairs and maintenance	300,119	300,119	41,606	258,513
Professional services	63,500	63,500	10,232	53,268
Insurance	60,000	60,000	63,023	(3,023)
Other	37,400	37,400	22,376	15,024
Total Current	1,063,500	1,063,500	643,403	420,097
Capital outlay	28,000	28,000	12,950	15,050
Total Expenditures	1,091,500	1,091,500	656,353	435,147
Excess (deficiency) of revenues over expenditures	-	-	402,043	402,043
Fund Balance, Beginning of Year	3,258,585	3,258,585	3,258,585	-
Fund Balance, End of Year	<u>\$3,258,585</u>	<u>3,258,585</u>	<u>3,660,628</u>	<u>402,043</u>

CITY OF LAVERGNE, TENNESSEE

**Schedule of Revenues, Expenditures and Changes in
Fund Balance - Budget (GAAP Basis) and Actual**

Problem Solving/Redeployment Grant Fund

For the Year Ended June 30, 2015

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Intergovernmental:				
Grants and appropriations	\$ -	23,000	21,846	(1,154)
Uses of Money and Property:				
Interest	-	-	12	12
Total uses of money and property	-	-	12	12
Total Revenue	-	23,000	21,858	(1,142)
Expenditures:				
Public Safety:				
Current:				
Supplies	600	25,600	24,649	951
Total Current	600	25,600	24,649	951
Total Expenditures	600	25,600	24,649	951
Excess (deficiency) of revenues over expenditures	(600)	(2,600)	(2,791)	(191)
Fund Balance, Beginning of Year	33,921	33,921	33,921	-
Fund Balance, End of Year	<u>\$33,321</u>	<u>31,321</u>	<u>31,130</u>	<u>(191)</u>

CITY OF LA VERGNE, TENNESSEE

**Schedule of Revenues, Expenditures and Changes in
Fund Balance - Budget (GAAP Basis) and Actual**

Senior Citizens Fund

For the Year Ended June 30, 2015

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Intergovernmental:				
Grants and appropriations	\$70,100	70,100	72,998	2,898
Uses of money and property:				
Charges for services	9,000	9,000	6,687	(2,313)
Interest	10	10	31	21
Total Uses of Money and Property	9,010	9,010	6,718	(2,292)
Other revenues-contributions	3,000	3,000	2,090	(910)
Total Revenues	82,110	82,110	81,806	(304)
Expenditures:				
Heath and Welfare:				
Current:				
Salaries	83,500	83,500	83,500	-
Utilities	12,500	12,500	13,684	(1,184)
Supplies	15,300	21,800	19,661	2,139
Program expenditures	5,000	6,500	6,345	155
Repairs and maintenance	6,000	6,000	6,000	-
Travel	5,300	5,300	2,314	2,986
Other	800	800	548	252
Total Current	128,400	136,400	132,052	4,348
Capital Outlay	-	-	-	-
Total Expenditures	128,400	136,400	132,052	4,348
Excess (deficiency) of revenues over expenditures	(46,290)	(54,290)	(50,246)	4,044
Other Financing Sources (Uses):				
Transfer from General Fund	45,000	60,000	60,000	-
Net Change in Fund Balance	(1,290)	5,710	9,754	4,044
Fund Balance, Beginning of Year	(250)	(250)	(250)	-
Fund Balance, End of Year	(\$1,540)	5,460	9,504	4,044

CITY OF LA VERGNE, TENNESSEE

**Schedule of Revenues, Expenditures and Changes in
Fund Balance - Budget (GAAP Basis) and Actual**

Police Impact Fee Fund

For the Year Ended June 30, 2015

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Licenses and permits	\$10,000	10,000	43,924	33,924
Uses of money and property:				
Interest	50	50	42	(8)
Total Revenues	10,050	10,050	43,966	33,916
Expenditures:				
Public Safety:				
Current:				
Supplies	300	300	291	9
Capital Outlay	-	-	-	-
Total Expenditures	300	300	291	9
Excess (deficiency) of revenues over expenditures	9,750	9,750	43,675	33,925
Fund Balance, Beginning of Year	37,928	37,928	37,928	-
Fund Balance, End of Year	<u>\$47,678</u>	<u>47,678</u>	<u>81,603</u>	<u>33,925</u>

CITY OF LA VERGNE, TENNESSEE

**Schedule of Revenues, Expenditures and Changes in
Fund Balance - Budget (GAAP Basis) and Actual**

Parks and Recreation Improvement Fund

For the Year Ended June 30, 2015

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Intergovernmental:				
Grants	\$1,548,384	1,548,384	2,882	(1,545,502)
Licences and permits	15,000	15,000	18,660	3,660
Uses of Money and Property:				
Interest	50	50	196	146
Contributions	-	-	-	-
Total Revenue	1,563,434	1,563,434	21,738	(1,541,696)
Expenditures:				
Recreation				
Current:				
Program cost	600	600	556	44
Total Current	600	600	556	44
Capital Outlay	1,935,480	1,935,480	3,714	1,931,766
Total Expenditures	1,936,080	1,936,080	4,270	1,931,810
Excess (deficiency) of revenues over expenditures	(372,646)	(372,646)	17,468	390,114
Other Financing Sources (Uses):				
Transfer in	300,000	372,646	-	(372,646)
Fund Balance , Beginning of Year	392,165	392,165	392,165	-
Fund Balance , End of Year	\$319,519	392,165	409,633	17,468

CITY OF LA VERGNE, TENNESSEE

**Schedule of Revenues, Expenditures and Changes in
Fund Balance - Budget (GAAP Basis) and Actual**

**Highways and Streets Fund
Capital Projects Fund**

For the Year Ended June 30, 2015

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Licences and permits	\$75,000	75,000	346,998	271,998
Uses of Money and Property:				
Interest	300	300	404	104
Total Revenue	75,300	75,300	347,402	272,102
Expenditures:				
Highways and Streets:				
Current:				
Repairs and maintenance	500	500	561	(61)
Total Current	500	500	561	(61)
Capital outlay	-	209,000	127,700	81,300
Total Expenditures	500	209,500	128,261	81,239
Excess (deficiency) of revenues over expenditures	74,800	(134,200)	219,141	353,341
Other Financing Sources (Uses):				
Transfer from General Fund	-	1,220,000	1,220,000	-
Fund Balance Beginning of Year	446,720	446,720	446,720	-
Fund Balance End of Year	\$521,520	1,532,520	1,885,861	353,341

CITY OF LA VERGNE, TENNESSEE

Capital Assets Used in the Operation of Governmental Funds

Schedule By Function and Activity

June 30, 2015

Function and Activity:	Land	Buildings & Improvements	Improvements Other Than Buildings	Equipment	Infrastructure	Construction In Progress	Total
General Government	\$258,578	964,806	72,939	1,546,278	-	-	2,842,601
Public Safety							
Police	1,183	729,671	111,300	6,801,973	-	-	7,644,127
Fire	813,000	1,695,072	-	5,781,160	-	-	8,289,232
Highways and Streets	3,157,501	49,800	-	842,758	69,580,809	111,611	73,742,479
Stormwater	-	983,870	374,064	670,752	-	-	2,028,686
Health and Welfare	-	59,080	7,800	38,400	-	-	105,280
Recreation	392,013	1,247,100	6,389,368	687,450	-	181,476	8,897,407
Library	802,767	3,185,985	11,666	324,184	-	-	4,324,602
Total governmental capital assets	<u>\$5,425,042</u>	<u>8,915,384</u>	<u>6,967,137</u>	<u>16,692,955</u>	<u>69,580,809</u>	<u>293,087</u>	<u>107,874,414</u>

CITY OF LA VERGNE, TENNESSEE

Capital Assets Used in the Operation of Governmental Funds

**Schedule of Changes in Capital Assets
By Function and Activity**

For the Year Ended June 30, 2015

Function and Activity:	Balance July 1, 2014	Additions	Deletions	Balance June 30, 2015
General Government	\$2,842,601	-	-	2,842,601
Public Safety				
Police	7,625,726	18,401	-	7,644,127
Fire	3,271,011	5,018,221	-	8,289,232
Highways and Streets	73,322,964	419,515	-	73,742,479
Stormwater	2,015,735	12,951	-	2,028,686
Health and Welfare	105,280	-	-	105,280
Recreation	8,867,536	29,871	-	8,897,407
Library	4,325,741	-	1,139	4,324,602
Total governmental capital assets	<u>\$102,376,594</u>	<u>5,498,959</u>	<u>1,139</u>	<u>107,874,414</u>

CITY OF LA VERGNE TENNESSEE

Schedule of Cash and Cash Equivalents

All Funds

June 30, 2015

Major Governmental Funds

<u>Type of Account</u>	<u>Interest Rate</u>	<u>Amount</u>
General Fund:		
Demand deposits and savings	Various	\$8,877,377
Change funds	-	1,326
Total General Fund		<u>8,878,703</u>
State Street Aid Fund:		
Demand deposits and savings	Various	<u>972,031</u>
Highways and Streets Improvement Fund		
Demand deposits and savings	Various	<u>1,908,945</u>

Nonmajor Governmental Funds

Stormwater Fund		
Demand deposits and savings	Various	<u>3,578,598</u>
Drug Enforcement Fund:		
Demand deposits and savings	Various	226,653
Cash on hand	-	-
Total Drug Enforcement Fund		<u>226,653</u>
Problem Solving/Redeployment Grant Fund		
Demand deposits and savings	Various	<u>37,019</u>
Senior Citizens Fund		
Cash		100
Demand deposits and savings	Various	<u>5,987</u>
Total Senior Citizens Fund		<u>6,087</u>
Police Impact Fee Fund		
Demand deposits and savings	Various	<u>81,603</u>
Parks and Recreation Improvement Fund		
Demand deposits and savings	Various	<u>409,633</u>

Proprietary Funds

Water and Sewer Fund:		
Change funds	-	250
Demand deposits and savings	Various	<u>16,948,650</u>
Total Water and Sewer Fund		<u>16,948,900</u>
Self Insured Medical Insurance Trust Fund:		
Demand deposits and savings	Various	<u>1,159,230</u>
Total Cash and Cash Equivalents		<u><u>\$34,207,402</u></u>

CITY OF LA VERGNE, TENNESSEE

Schedule of Changes in Property Taxes Receivable

General Fund

For the Year Ended June 30, 2015

<u>Fiscal Year</u>	<u>Balance June 30, 2014</u>	<u>Assessments</u>	<u>Adjustments/ Collections</u>	<u>Balance June 30, 2015</u>
2014 - 2015	\$ -	8,001,093	7,852,527	148,566
2013 - 2014	144,732	38,321	81,037	102,016
2012 - 2013	68,072	2,067	35,544	34,595
2011 - 2012	41,482	698	6,573	35,607
2010 - 2011	26,387	-	3,401	22,986
2009 - 2010	42,941	-	852	42,089
2008 - 2009	22,639	-	850	21,789
2007 - 2008	8,174	-	461	7,713
2006 - 2007	7,091	-	426	6,665
2005 - 2006	4,647	-	-	4,647
2004 - 2005	3,442	-	3,442	-
2003 - 2004	-	-	-	-
	<u>\$369,607</u>	<u>8,042,179</u>	<u>7,985,113</u>	<u>426,673</u>
				7,650,000
2015 - 2016	**			
Property taxes receivable per Governmental Funds Financial Statements				<u>8,076,673</u>
Allowance for uncollectibles				<u>(51,647)</u>
Property taxes receivable per Government Wide Financial Statements				<u>\$8,025,026</u>

Fiscal year 2012-2013 and prior have been turned over to the County Clerk and Master for collection.

** Unlevied taxes receivable (Anticipated current year levy)

CITY OF LA VERGNE, TENNESSEE

**Schedule of Maturities of Bond Indebtedness
and Interest Requirements**

General Obligation

June 30, 2015

Year Ending <u>June 30,</u>	Principal						Obligation to State	Interest Requirements	Total
	Series 2012 Capital Outlay Notes	Series 2002 General Obligation Bonds	Series 2006 General Obligation Bonds	Series 2009 General Obligation Bonds	Series 2014 General Obligation Bonds	Series 2015 General Obligation Bonds			
2016	\$253,608	65,000	695,000	100,000	225,000	100,000	318,182	461,917	2,218,707
2017	-	-	715,000	150,000	225,000	230,000	318,182	419,292	2,057,474
2018	-	-	385,000	530,000	240,000	235,000	318,182	385,109	2,093,291
2019	-	-	405,000	530,000	240,000	240,000	318,182	343,601	2,076,783
2020	-	-	425,000	530,000	245,000	245,000	318,181	300,519	2,063,700
2021	-	-	420,000	530,000	260,000	245,000	-	253,771	1,708,771
2022	-	-	440,000	535,000	265,000	250,000	-	208,140	1,698,140
2023	-	-	-	545,000	265,000	255,000	-	169,308	1,234,308
2024	-	-	-	550,000	280,000	260,000	-	136,872	1,226,872
2025	-	-	-	-	290,000	270,000	-	103,373	663,373
2026	-	-	-	-	-	275,000	-	90,047	365,047
2027	-	-	-	-	-	280,000	-	83,860	363,860
2028	-	-	-	-	-	285,000	-	76,860	361,860
2029	-	-	-	-	-	295,000	-	73,165	368,165
2030	-	-	-	-	-	305,000	-	61,200	366,200
2031	-	-	-	-	-	310,000	-	52,050	362,050
2032	-	-	-	-	-	320,000	-	42,750	362,750
2033	-	-	-	-	-	330,000	-	33,150	363,150
2034	-	-	-	-	-	340,000	-	22,425	362,425
2035	-	-	-	-	-	350,000	-	11,375	361,375
	<u>\$253,608</u>	<u>65,000</u>	<u>3,485,000</u>	<u>4,000,000</u>	<u>2,535,000</u>	<u>5,420,000</u>	<u>1,590,909</u>	<u>3,328,784</u>	<u>20,678,301</u>

OF LA VERGNE, TENNESSEE

Schedule of Maturities of Indebtedness and Interest Requirements

Water and Sewer Fund

June 30, 2015

Year Ending June 30,	Principal			Interest Requirements	Total
	Bond Issue 2006	2013	2014		
2016	\$330,000	395,000	530,000	648,218	1,903,218
2017	340,000	335,000	550,000	611,855	1,836,855
2018	350,000	325,000	575,000	579,242	1,829,242
2019	365,000	300,000	590,000	539,103	1,794,103
2020	375,000	250,000	615,000	501,619	1,741,619
2021	395,000	200,000	640,000	463,632	1,698,632
2022	405,000	150,000	665,000	425,132	1,645,132
2023	-	550,000	690,000	394,385	1,634,385
2024	-	500,000	715,000	362,685	1,577,685
2025	-	450,000	745,000	331,235	1,526,235
2026	-	1,250,000	-	295,385	1,545,385
2027	-	1,250,000	-	257,885	1,507,885
2028	-	1,225,000	-	220,385	1,445,385
2029	-	1,200,000	-	183,635	1,383,635
2030	-	1,175,000	-	147,635	1,322,635
2031	-	1,150,000	-	111,210	1,261,210
2032	-	1,125,000	-	73,260	1,198,260
2033	-	1,095,000	-	36,135	1,131,135
	<u>\$2,560,000</u>	<u>12,925,000</u>	<u>6,315,000</u>	<u>6,182,636</u>	<u>27,982,636</u>

CITY OF LA VERGNE, TENNESSEE

Schedule of Expenditures of Federal Awards

For the Year Ended June 30, 2015

Federal Grants as Identified in the
Catalog of Federal Domestic Assistance:

<u>CFDA Number</u>	<u>Program Name</u>	<u>Grantor Agency</u>	<u>Expenditures</u>
14.239	HOME Grant	Tennessee Housing Agency	\$1,260
16.607	Bullet Proof Vests	U. S. Department of Justice	3,487
16.111	Joint Law Enforcement Operations	U. S. Department of Justice	25,668
16.922	Organized Crime Drug Enforcement	U. S. Department of Justice	10,879
16.738	Justice Assistance Grant	U. S. Department of Justice	14,998
20.205	Greenways Grant	Federal Highway Administration	2,882
20.607	Traffic Law Enforcement	Federal Highway Administration	36,652
45.310	Library Technology Grant	Tennessee Department of the State	1,707
93.044	Senior Citizens Grant	U. S. Department of Health and Human Services	14,823
			<u>\$112,356</u>

This schedule was prepared using the accrual basis of accounting.

CITY OF LA VERGNE, TENNESSEE
Schedule of Federal and State Financial Assistance
For the Year Ended June 30, 2015

Federal Grants as Identified in the
Catalog of Federal Domestic Assistance:

CFDA Number	State or Other Grant Number	Program Name	Grantor Agency	(Accrued) or Deferred Revenue at July 1, 2014	Program Income & Grant Receipts	Grant Funds Adjustment or Refunded	Expenditures	(Accrued) or Deferred Revenue at June 30, 2015
20.607	154-AL-14-69	Alcohol Saturation Patrols	Federal Highway Administration	(\$8,055)	23,370	-	15,315	-
	Z15GHS194	Alcohol Saturation Patrols		-	9,066	-	21,337	(12,271)
	N/A	Bullet Proof Vest Grant	U. S. Department of Justice	(1,128)	1,128	-	3,487	(3,487)
20.205	CM-STP-7500(19)	Greenway Grant	Federal Highway Administration	(62,503)	65,385	-	2,882	-
16.738	25329	Justice Assistance Grant	U. S. Department of Justice	-	14,998	-	14,998	-
16.111	TN0750300	Joint Law Enforcement Operations	U. S. Department of Justice	12,706	48,564	-	25,668	35,602
16.922	N/A	Organized Crime Drug Enforcement	U. S. Department of Justice	-	8,462	-	10,879	(2,417)
93.044	N/A	Senior Citizen Grant	U. S. Department of Health and Human Service	(5,605)	17,305	-	14,823	(3,123)
14.239	HM-12-13	HOME Grant	Tennessee Housing Agency	-	1,260	-	1,260	-
45.310	30504-00315-73	Library Technology Grant	Tennessee Department of the State	-	1,707	-	1,707	-
Total Federal Assistance				<u>(\$64,585)</u>	<u>191,245</u>	<u>-</u>	<u>112,356</u>	<u>14,304</u>

State Financial Assistance:

N/A	N/A	Senior Citizen Grant	Greater Nashville Regional Council	(\$2,795)	13,393	-	11,975	(1,377)
N/A	30504-00315-73	Library Technology Grant	Tennessee Department of the State	-	680	-	680	-
Total State Assistance				<u>(\$2,795)</u>	<u>14,073</u>	<u>-</u>	<u>12,655</u>	<u>(1,377)</u>

This schedule was prepared using the accrual basis of accounting.

CITY OF LA VERGNE, TENNESSEE

Schedule of Utility Data

For the Year Ended June 30, 2015

<u>Services</u>	<u>Number of Customers</u>
Water	11,992
Sewer	10,805

<u>Rates</u>	<u>Residential</u>	<u>Commercial</u>	<u>Industrial</u>
Water (inside City):			
First 2,000 gallons	\$ 15.44	19.98	363.24
Thereafter	3.99/1,000 gallons	4.53	6.08
Water (outside City):			
First 2,000 gallons	\$ 20.02		
Next 4,000 gallons	4.94/1,000 gallons		
Thereafter	7.02/1,000 gallons		
Sewer (inside City):			
First 2,000 gallons	\$ 24.36	31.53	573.29
Thereafter	6.31/1,000 gallons	7.16	7.99



AWWA Free Water Audit Software: Reporting Worksheet

WAS v5.0
American Water Works Association
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Water Audit Report for: **City Of La Vergne**
Reporting Year: **2015** **7/2014 - 6/2015**

Please enter data in the white cells below. Where available, metered values should be used; if metered values are unavailable please estimate a value. Indicate your confidence in the accuracy of the input data by grading each component (n/a or 1-10) using the drop-down list to the left of the input cell. Hover the mouse over the cell to obtain a description of the grades

All volumes to be entered as: MILLION GALLONS (US) PER YEAR

To select the correct data grading for each input, determine the highest grade where the utility meets or exceeds all criteria for that grade and all grades below it.

----- Enter grading in column 'E' and 'J' ----->

Master Meter and Supply Error Adjustments

WATER SUPPLIED

Volume from own sources:	<input type="button" value="+"/>	<input type="button" value="9"/>	<input type="text" value="810.702"/>	MG/Yr	<input type="button" value="+"/>	<input type="button" value="9"/>	<input type="text" value="-3.00%"/>	<input type="text" value=""/>	MG/Yr
Water imported:	<input type="button" value="+"/>	<input type="button" value="9"/>	<input type="text" value="0.000"/>	MG/Yr	<input type="button" value="+"/>	<input type="button" value="9"/>	<input type="text" value=""/>	<input type="text" value=""/>	MG/Yr
Water exported:	<input type="button" value="+"/>	<input type="button" value="9"/>	<input type="text" value="0.000"/>	MG/Yr	<input type="button" value="+"/>	<input type="button" value="9"/>	<input type="text" value=""/>	<input type="text" value=""/>	MG/Yr

Enter negative % or value for under-registration
Enter positive % or value for over-registration

WATER SUPPLIED: **938.868** MG/Yr

AUTHORIZED CONSUMPTION

Billed metered:	<input type="button" value="+"/>	<input type="button" value="9"/>	<input type="text" value="709.695"/>	MG/Yr
Billed unmetered:	<input type="button" value="+"/>	<input type="button" value="9"/>	<input type="text" value="0.000"/>	MG/Yr
Unbilled metered:	<input type="button" value="+"/>	<input type="button" value="9"/>	<input type="text" value="0.000"/>	MG/Yr
Unbilled unmetered:	<input type="button" value="+"/>	<input type="button" value="9"/>	<input type="text" value="11.736"/>	MG/Yr

Default option selected for Unbilled unmetered - a grading of 5 is applied but not displayed

AUTHORIZED CONSUMPTION: **721.431** MG/Yr

Click here: for help using option buttons below

Pcnt: Value:

Use buttons to select percentage of water supplied OR value

Pcnt: Value:

WATER LOSSES (Water Supplied - Authorized Consumption)

Apparent Losses

Unauthorized consumption: MG/Yr

Default option selected for unauthorized consumption - a grading of 5 is applied but not displayed

Customer metering inaccuracies:	<input type="button" value="+"/>	<input type="button" value="9"/>	<input type="text" value="61.713"/>	MG/Yr
Systematic data handling errors:	<input type="button" value="+"/>	<input type="button" value="9"/>	<input type="text" value="1.774"/>	MG/Yr

Default option selected for Systematic data handling errors - a grading of 5 is applied but not displayed

Apparent Losses: **65.834** MG/Yr

Real Losses (Current Annual Real Losses or CARL)

Real Losses = Water Losses - Apparent Losses: MG/Yr

WATER LOSSES: **217.437** MG/Yr

NON-REVENUE WATER

NON-REVENUE WATER: **229.173** MG/Yr

= Water Losses + Unbilled Metered + Unbilled Unmetered

SYSTEM DATA

Length of mains:	<input type="button" value="+"/>	<input type="button" value="9"/>	<input type="text" value="98.0"/>	miles
Number of active AND inactive service connections:	<input type="button" value="+"/>	<input type="button" value="9"/>	<input type="text" value="11,732"/>	
Service connection density:	<input type="button" value="9"/>	<input type="text" value="120"/>	conn./mile main	

Are customer meters typically located at the curbside or property line?

Average length of customer service line: (length of service line, beyond the property boundary, that is the responsibility of the utility)

Average length of customer service line has been set to zero and a data grading score of 10 has been applied

Average operating pressure: psi

COST DATA

Total annual cost of operating water system:	<input type="button" value="+"/>	<input type="button" value="9"/>	<input type="text" value="\$6,594,953"/>	\$/Year
Customer retail unit cost (applied to Apparent Losses):	<input type="button" value="+"/>	<input type="button" value="9"/>	<input type="text" value="\$6.32"/>	\$/1000 gallons (US)
Variable production cost (applied to Real Losses):	<input type="button" value="+"/>	<input type="button" value="9"/>	<input type="text" value="\$746.67"/>	\$/Million gallons

☒ Use Customer Retail Unit Cost to value real losses

WATER AUDIT DATA VALIDITY SCORE:

***** YOUR SCORE IS: 79 out of 100 *****

A weighted scale for the components of consumption and water loss is included in the calculation of the Water Audit Data Validity Score

PRIORITY AREAS FOR ATTENTION:

Based on the information provided, audit accuracy can be improved by addressing the following components:

1: Volume from own sources

2: Unauthorized consumption

3: Systematic data handling errors

AWWA Free Water Audit Software: System Attributes and Performance Indicators

WAS v5.0

American Water Works Association
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Water Audit Report for: **City Of La Vergne**

Reporting Year: **2015** **7/2014 - 6/2015**

***** YOUR WATER AUDIT DATA VALIDITY SCORE IS: 79 out of 100 *****

System Attributes:

Apparent Losses:	65.834	MG/Yr
+ Real Losses:	151.603	MG/Yr
= Water Losses:	217.437	MG/Yr

? Unavoidable Annual Real Losses (UARL): 91.94 MG/Yr

Annual cost of Apparent Losses: \$416,268

Annual cost of Real Losses: \$958,587 Valued at **Customer Retail Unit Cost**

Return to Reporting Worksheet to change this assumption

Performance Indicators:

Financial:

{	Non-revenue water as percent by volume of Water Supplied:	24.4%	
	Non-revenue water as percent by cost of operating system:	22.0%	Real Losses valued at Customer Retail Unit Cost

Operational Efficiency:

{	Apparent Losses per service connection per day:	15.37	gallons/connection/day
	Real Losses per service connection per day:	35.40	gallons/connection/day
	Real Losses per length of main per day*:	N/A	
	Real Losses per service connection per day per psi pressure:	0.32	gallons/connection/day/psi

From Above, Real Losses = Current Annual Real Losses (CARL): 151.60 million gallons/year

? Infrastructure Leakage Index (ILI) [CARL/UARL]: 1.65

* This performance indicator applies for systems with a low service connection density of less than 32 service connections/mile of pipeline

CITY OF LA VERGNE, TENNESSEE

STATISTICAL SECTION

This part of the City of La Vergne's comprehensive annual financial report presents detailed information as a context for understanding what the information in the financial statements, note disclosures, and required supplementary information says about the city's overall financial health.

Schedule #

Contents

Financial Trends

These Schedules contain trend information to help readers understand how the City's financial performance and well - being have changed over time.

1-4

Revenue Capacity

These Schedules contain information to help readers assess the City's most significant local revenue source-its property tax.

5-8

Debt Capacity

These Schedules present information to help readers assess the affordability of the City's current levels of outstanding debt and the City's ability to issue additional debt in the future.

9-13

Demographic and Economic Information

These Schedules offer demographic and economic indicators to help readers understand the environment within which the City's financial activities take place.

14-15

Operating Information

These Schedules contain service and infrastructure data to help readers understand how the information in the City's financial report relates to the services the City provides and the activities it performs.

16-18

Except where noted, the information in these Schedules is derived from the City of La Vergne's comprehensive annual financial reports for the relevant year.

CITY OF LA VERGNE, TENNESSEE

**Financial Trends Information -
Net Position By Component - Last Ten Years**

Schedule 1

(Prepared using the accrual basis of accounting)

	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
<u>Governmental Activities:</u>										
Net investment in capital assets	32,486,976	33,118,449	35,341,281	37,660,963	37,016,894	37,129,882	38,778,767	40,596,135	50,472,476	48,465,920
Restricted for:										
Highway and streets	1,591,135	1,839,478	2,321,829	1,674,044	1,886,063	1,751,994	1,850,952	1,876,199	1,616,397	2,990,466
Parks and recreation	-	-	-	-	-	16,563	2,729	138,024	392,165	409,633
Senior citizens	-	-	-	-	-	60,701	32,830	16,718	-	9,504
Capital projects	6,118,991	5,149,534	2,544,472	940,411	447,830	-	-	-	-	-
Stormwater projects	-	-	-	1,236,004	1,443,235	1,966,943	2,389,445	2,837,840	3,258,585	3,660,628
Law enforcement	244,343	461,608	329,059	226,926	274,519	204,607	215,531	233,780	232,268	309,445
Unrestricted	4,738,289	5,260,053	5,680,352	4,155,525	3,976,050	3,812,969	7,445,308	8,772,714	6,804,021	10,158,970
Total Net Position	\$45,179,734	45,829,122	46,216,993	45,893,873	45,044,591	44,943,659	50,715,562	54,471,410	62,775,912	66,004,566
<u>Business-Type Activities</u>										
Net investment in capital assets	\$23,686,845	29,498,091	30,060,931	29,636,330	30,418,437	30,666,043	33,652,575	34,847,827	35,441,278	35,215,483
Restricted for capital projects	5,493,629	-	-	-	-	-	-	-	-	-
Unrestricted	11,197,784	12,525,612	12,161,538	9,785,897	8,332,812	6,668,803	6,287,446	6,304,612	8,132,418	10,939,420
Total Net Position	\$40,378,258	42,023,703	42,222,469	39,422,227	38,751,249	37,334,846	39,940,021	41,152,439	43,573,696	46,154,903
<u>Primary Government</u>										
Net investment in capital assets	\$56,173,821	62,616,540	65,402,212	67,297,293	67,435,331	67,795,925	72,431,342	75,443,962	85,913,754	83,681,403
Restricted for:										
Highway and streets	1,591,135	1,839,478	2,321,829	1,674,044	1,886,063	1,751,994	1,850,952	1,876,199	1,616,397	2,990,466
Parks and recreation	-	-	-	-	-	16,563	2,729	138,024	392,165	409,633
Senior citizens	-	-	-	-	-	60,701	32,830	16,718	-	9,504
Capital projects	11,612,620	5,149,534	2,544,472	940,411	447,830	-	-	-	-	-
Stormwater projects	-	-	-	1,236,004	1,443,235	1,966,943	2,389,445	2,837,840	3,258,585	3,660,628
Law enforcement	244,343	461,608	329,059	226,926	274,519	204,607	215,531	233,780	232,268	30,945
Unrestricted	15,936,073	17,785,665	17,841,890	13,941,422	12,308,862	10,655,631	13,732,754	15,077,326	14,936,439	21,098,390
Total Primary Government	\$85,557,992	87,852,825	88,439,462	85,316,100	83,795,840	82,278,505	90,655,583	95,623,849	106,349,608	112,159,469

Year 2006 Net investment in capital assets restated

In 2013 all classifications of net assets were changed to net position in accordance with GASB 63.

CITY OF LA VERGNE, TENNESSEE

**Financial Trends Information -
Changes in Net Position - Last Ten Fiscal Years**

Schedule 2

(Prepared using the accrual basis of accounting)

	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
Expenses:										
Governmental Activities:										
General government	\$2,785,245	2,689,877	2,753,589	2,499,970	2,616,729	2,587,572	2,522,444	2,706,539	2,646,612	3,000,115
Public safety:										
Police	4,565,001	4,425,126	4,421,349	4,729,180	4,585,254	4,913,562	5,106,995	5,899,972	6,173,670	6,437,504
Fire	1,317,814	1,488,506	1,549,004	1,561,860	1,600,934	1,609,911	2,214,332	2,527,325	4,019,676	2,959,476
Highways and streets	1,339,224	2,389,458	2,248,815	2,270,169	2,282,555	2,579,766	2,463,823	2,674,995	3,441,428	3,057,884
Stormwater	181,768	539,925	382,993	449,870	687,901	544,216	684,679	695,284	700,435	912,788
Health and welfare	307,357	294,383	348,896	360,834	374,148	378,504	454,012	484,767	523,145	402,611
Recreation	888,361	854,528	932,292	969,104	1,068,959	1,068,523	964,479	955,798	1,075,555	1,136,043
Library	756,771	760,867	669,567	646,719	653,302	632,779	661,072	647,282	700,317	774,335
Interest expense on long-term debt	555,767	516,056	482,184	461,015	598,640	581,614	550,556	543,896	505,082	510,982
Total governmental activities expenses	12,697,308	13,958,726	13,788,689	13,948,721	14,468,422	14,896,448	15,622,392	17,135,858	19,785,920	19,191,738
Business-Type Activities										
Water and Sewer	6,137,520	6,540,979	7,298,729	8,209,857	7,960,079	8,841,838	8,567,646	8,835,822	8,446,600	8,672,645
Total business-type activities expenses	6,137,520	6,540,979	7,298,729	8,209,857	7,960,079	8,841,838	8,567,646	8,835,822	8,446,600	8,672,645
Total primary government expenses	\$18,834,828	20,499,705	21,087,418	22,158,578	22,428,501	23,738,286	24,190,038	25,971,680	28,232,520	27,864,383
Program Revenues:										
Governmental Activities:										
Charges for services:										
General government	\$648,631	504,664	349,310	186,074	175,036	167,648	162,082	166,864	241,526	250,168
Public safety:										
Police	532,638	578,418	487,582	780,874	771,294	621,081	484,927	509,830	428,140	378,789
Fire	-	-	-	-	-	-	-	-	-	-
Highways and streets	774,170	465,926	278,381	149,269	80,646	73,588	126,561	-	-	-
Stormwater	866,830	1,024,031	1,098,077	1,110,125	1,118,948	1,134,439	1,136,736	1,096,036	1,077,521	1,056,773
Health and welfare	6,542	23,119	809	1,410	756	751	599	1,603	7,758	6,687
Recreation	254,643	201,300	135,297	93,709	67,382	67,693	50,933	54,007	182,080	171,943
Library	38,745	28,738	33,734	27,369	34,493	39,300	39,700	36,400	35,279	37,860
Operating grants and contributions	759,251	845,716	837,537	831,540	1,024,369	1,150,293	1,146,951	1,098,760	1,081,678	1,141,910
Capital grants and contributions	2,582,750	153,655	451,409	43,374	69,129	673,317	2,265,200	1,888,286	8,300,719	590,690
Total governmental activities program revenues	6,464,200	3,825,567	3,672,136	3,223,744	3,342,053	3,928,110	5,413,689	4,851,786	11,354,701	3,634,820
Business-Type Activities:										
Charges for services:										
Water and Sewer	5,674,159	6,144,524	6,226,874	6,182,975	6,163,891	6,795,985	9,535,531	9,689,364	10,542,155	10,886,498
Capital grants and contributions:										
Water and Sewer	3,711,602	1,244,795	628,744	293,485	322,941	600,237	1,631,193	499,140	302,091	363,640
Total business-type activities program revenues	9,385,761	7,389,319	6,855,618	6,476,460	6,486,832	7,396,222	11,166,724	10,188,504	10,844,246	11,250,138
Total primary government program revenues	15,849,961	11,214,886	10,527,754	9,700,204	9,828,885	11,324,332	16,580,413	15,040,290	22,198,947	14,884,958
Net (Expense)/Revenue										
Governmental Activities	(6,233,108)	(10,133,159)	(10,116,553)	(10,724,977)	(11,126,369)	(10,968,338)	(10,208,703)	(12,284,072)	(8,431,219)	(15,556,918)
Business-Type Activities	3,248,241	848,340	(443,111)	(1,733,397)	(1,473,247)	(1,445,616)	2,599,078	1,352,682	2,397,646	2,577,493
Total primary government net expense	(\$2,984,867)	(9,284,819)	(10,559,664)	(12,458,374)	(12,599,616)	(12,413,954)	(7,609,625)	(10,931,390)	(6,033,573)	(12,979,425)
General Revenues and Other Changes in Net Position										
Governmental Activities:										
Taxes										
Property and in lieu of taxes	\$2,634,395	3,159,964	3,313,043	3,629,942	3,727,433	4,016,057	8,286,016	7,987,594	8,121,160	8,466,115
Sales taxes	3,186,908	3,336,076	3,097,895	3,198,680	3,025,159	3,289,732	3,857,098	4,184,977	4,552,693	5,640,249
Other locally assessed taxes	1,315,066	1,487,892	1,482,980	1,316,979	1,396,874	1,339,545	1,457,315	1,600,346	1,587,613	1,953,723
Other state shared taxes	1,720,463	2,162,053	2,205,167	2,147,980	2,064,781	2,169,309	2,265,839	2,355,311	2,405,647	2,656,807
Unrestricted investment earnings	456,674	604,281	369,903	70,240	31,823	17,261	9,849	10,035	6,968	8,020
Other	30,619	32,281	35,436	38,036	31,018	35,501	104,489	51,552	61,640	60,658
Transfers	-	-	-	-	-	-	-	-	-	-
Total governmental activities	9,344,125	10,782,547	10,504,424	10,401,857	10,277,088	10,867,405	15,980,606	16,189,815	16,735,721	18,785,572
Business-Type Activities										
Investments earnings	576,696	797,105	584,431	178,069	84,429	29,213	6,097	4,253	3,296	3,714
Other & special item	-	-	-	(650,000)	-	-	-	-	20,315	-
Transfers	-	-	-	-	-	-	-	-	-	-
Total business-type activities	576,696	797,105	584,431	(471,931)	84,429	29,213	6,097	4,253	23,611	3,714
Total primary government	9,920,821	11,579,652	11,088,855	9,929,926	10,361,517	10,896,618	15,986,703	16,194,068	16,759,332	18,789,286
Change in Net Position										
Governmental activities	3,111,019	649,388	387,871	(323,120)	(849,281)	(100,933)	5,771,903	3,905,743	8,304,502	3,228,654
Business-type activities	3,824,937	1,645,445	141,320	(2,205,328)	(1,388,818)	(1,416,403)	2,605,175	1,356,935	2,421,257	2,581,207
Total primary government	\$6,935,956	2,294,833	529,191	(2,528,448)	(2,238,099)	(1,517,336)	8,377,078	5,262,678	10,725,759	5,809,861

In 2013 all classifications of net assets were changed to net position in accordance with GASB 63.

CITY OF LA VERGNE, TENNESSEE

**Financial Trends Information -
Fund Balances, Governmental Funds. Last Ten Years**

Schedule 3

(Prepared using the modified accrual basis of accounting)

	2015	2014	2013	2012	2011	2010	2009	2008	2007	2006
General Fund										
Reserved	\$-	-	-	-	-	68,718	25,646	16,391	29,563	28,380
Unreserved and undesignated	-	-	-	-	-	3,793,292	3,902,991	3,699,307	4,074,487	3,709,836
Nonspendable	5,127	7,516	5,695	7,054	10,919	-	-	-	-	-
Restricted	20,205	19,055	16,230	14,409	12,349	-	-	-	-	-
Assigned	-	1,999,965	-	171,441	202,608	-	-	-	-	-
Unassigned	9,837,846	4,905,038	8,711,420	7,166,622	3,708,215	-	-	-	-	-
Total General Fund	<u>\$9,863,178</u>	<u>6,931,574</u>	<u>8,733,345</u>	<u>7,359,526</u>	<u>3,934,091</u>	<u>3,862,010</u>	<u>3,928,637</u>	<u>3,715,698</u>	<u>4,104,050</u>	<u>3,738,216</u>
All Other Governmental Funds										
Reserved										
Unreserved reported in:										
Capital Projects Fund	\$-	-	-	-	-	3,748,739	4,241,320	2,544,472	5,149,534	6,118,991
Special Revenue Funds	-	-	-	-	-	3,843,524	3,426,796	4,546,311	3,470,691	2,513,704
Restricted reported in:										
Capital Projects Fund	2,377,097	876,813	1,487,174	3,826,547	3,789,146	-	-	-	-	-
Special Revenue Funds	4,982,374	4,603,297	4,536,671	3,957,381	3,502,076	-	-	-	-	-
Total all other governmental funds	<u>\$7,359,471</u>	<u>5,480,110</u>	<u>6,023,845</u>	<u>7,783,928</u>	<u>7,291,222</u>	<u>7,592,263</u>	<u>7,668,116</u>	<u>7,090,783</u>	<u>8,620,225</u>	<u>8,632,695</u>
Total	<u>\$17,222,649</u>	<u>12,411,684</u>	<u>14,757,190</u>	<u>15,143,454</u>	<u>11,225,313</u>	<u>11,454,273</u>	<u>11,596,753</u>	<u>10,806,481</u>	<u>12,724,275</u>	<u>12,370,911</u>

* In 2011 the classifications of fund balance have been changed to reflect the implementation of GASB 54.

CITY OF LA VERGNE, TENNESSEE

Financial Trend Information -
Changes in Fund Balances, Governmental Funds. Last Ten Years

Schedule 4

(Prepared using the modified accrual basis of accounting)

	2015	2014	2013	2012	2011	2010	2009	2008	2007	2006
Revenues:										
Taxes and in lieu tax	\$15,566,571	14,012,691	13,268,365	12,925,491	8,620,838	8,129,369	8,159,835	7,894,730	7,981,821	7,235,986
Licenses and permits	1,662,971	1,386,785	1,280,009	1,384,602	1,357,982	1,360,800	1,424,508	1,721,943	2,111,753	2,474,881
Fines and fees	334,865	412,502	504,259	468,117	614,154	761,103	765,928	457,545	518,064	442,354
Intergovernmental	4,229,399	4,107,903	4,586,496	3,929,586	3,159,051	2,983,651	3,001,286	3,468,931	3,134,240	2,522,317
Uses of property and money	277,828	328,833	154,884	133,752	159,935	183,012	224,262	547,374	757,430	628,145
Other	63,633	419,173	549,922	180,055	258,796	218,475	66,751	83,564	59,465	102,971
Total revenues	<u>22,135,267</u>	<u>20,667,887</u>	<u>20,343,935</u>	<u>19,021,603</u>	<u>14,170,756</u>	<u>13,636,410</u>	<u>13,642,570</u>	<u>14,174,087</u>	<u>14,562,773</u>	<u>13,406,654</u>
Expenditures:										
General government	2,908,150	2,560,804	2,671,696	2,425,465	2,442,321	2,584,131	2,312,100	2,522,169	2,419,994	2,704,617
Public safety	8,882,744	9,608,403	7,758,782	6,873,373	6,196,243	5,795,095	5,723,114	5,620,406	5,557,301	5,469,949
Highways and streets	1,398,086	1,918,853	1,495,547	1,291,325	1,406,608	1,185,131	1,251,812	1,176,736	1,222,154	916,192
Stormwater	643,403	622,109	616,184	590,705	539,748	511,580	433,033	362,373	521,663	179,278
Health and welfare	400,939	521,473	483,095	452,340	377,195	366,867	353,543	341,216	286,703	299,677
Recreation	1,074,882	948,246	800,364	792,158	862,550	855,776	757,311	748,785	656,314	728,413
Library	629,442	595,239	571,117	577,509	541,125	548,267	576,546	569,305	621,105	592,482
Capital outlay	5,295,350	7,677,034	4,939,137	1,532,147	750,379	1,580,840	4,276,380	3,411,305	1,601,114	1,373,463
Debt service- Principal	1,782,994	1,453,882	1,440,065	1,013,280	937,676	800,000	840,000	850,000	820,000	800,000
Debt service- Interest & other	603,752	488,377	516,002	541,295	568,943	545,946	436,870	470,680	504,244	667,732
Total expenditures	<u>23,619,742</u>	<u>26,394,420</u>	<u>21,291,989</u>	<u>16,089,597</u>	<u>14,622,788</u>	<u>14,773,633</u>	<u>16,960,709</u>	<u>16,072,975</u>	<u>14,210,592</u>	<u>13,731,803</u>
Excess of revenues over (under) expenditures	<u>(1,484,475)</u>	<u>(5,726,533)</u>	<u>(948,054)</u>	<u>2,932,006</u>	<u>(452,032)</u>	<u>(1,137,223)</u>	<u>(3,318,139)</u>	<u>(1,898,888)</u>	<u>352,181</u>	<u>(325,149)</u>
Other Financing Sources & Uses:										
Bond, notes and leases	8,050,000	3,237,168	563,149	990,000	227,633	997,000	4,125,000	-	-	8,675,000
Premiums/ discounts on issued bonds	135,145	-	-	-	-	-	(23,669)	-	48,336	-
Other	(1,887,316)	142,038	-	-	-	-	-	-	-	-
Transfers	-	-	-	-	-	-	-	-	-	-
Payments to refunding escrow agent	-	-	-	-	-	-	-	-	-	(5,571,135)
Total other financing sources (uses)	<u>6,297,829</u>	<u>3,379,206</u>	<u>563,149</u>	<u>990,000</u>	<u>227,633</u>	<u>997,000</u>	<u>-</u>	<u>-</u>	<u>48,336</u>	<u>-</u>
Net Change in Fund Balance	<u>\$4,813,354</u>	<u>(2,347,327)</u>	<u>(384,905)</u>	<u>3,922,006</u>	<u>(224,399)</u>	<u>(140,223)</u>	<u>(3,318,139)</u>	<u>(1,898,888)</u>	<u>400,517</u>	<u>(325,149)</u>
Debt Service as % of noncapital Expenditures	<u>13.0%</u>	<u>10.4%</u>	<u>12.0%</u>	<u>10.7%</u>	<u>10.9%</u>	<u>10.2%</u>	<u>10.1%</u>	<u>10.4%</u>	<u>10.5%</u>	<u>11.9%</u>

* As restated

Note: In 2015 Other Financing Uses includes \$1,914,570 payment to escrow agent to refund debt.

CITY OF LA VERGNE, TENNESSEE

**Revenue Capacity Information
Assessed Value and Estimated Actual Value of Taxable Property, Last Ten Years**

Schedule 5

Fiscal Year	Appraised Value				Assessed Value	Total Direct Tax Rate*
	Public Utility Commercial & Industrial	Personal Property	Residential, Farm & Exempt	Total		
2006	\$ 517,134,200	315,397,414	984,810,300	1,817,341,914	525,009,400	\$0.50
2007	581,169,025	341,951,734	1,231,066,360	2,154,187,119	629,695,600	0.50
2008	591,481,800	345,079,268	1,334,104,200	2,270,665,268	664,315,800	0.50
2009	634,996,300	342,698,060	1,422,030,600	2,399,724,960	726,774,000	0.50
2010	636,650,900	364,681,282	1,430,881,200	2,432,213,382	746,773,600	0.50
2011	814,324,300	356,956,696	1,460,525,700	2,631,806,696	806,823,800	0.50
2012	810,850,400	315,278,564	1,413,588,900	2,539,717,864	785,532,500	1
2013	801,211,700	334,700,731	1,479,090,400	2,615,002,831	776,971,510	1
2014	802,798,600	324,549,497	1,478,724,900	2,606,072,997	788,414,753	1
2015	797,526,787	379,463,510	1,495,166,500	2,672,156,797	800,109,300	1

Property is assessed as follows:

Industrial and Commercial:

Real 40%

Personal 30%

Public Utility 55%

Farm and Residential 25%

* Per \$100 of assessed valuation

Note - Property of the City is reappraised frequently. For this reason appraised value is considered equal to actual value. The appraised values do not include exempt property.

CITY LA VERGNE, TENNESSEE

Revenue Capacity Information Direct and Overlapping Property Tax Rates, Last Ten Years

Schedule 6

Fiscal Year	Direct Rate City	Overlapping Rates	Total
		County**	
2006	\$0.50	\$2.80	\$3.30
2007	0.50	2.44	2.94
2008	0.50	2.44	2.94
2009	0.50	2.56	3.06
2010	0.50	2.74	3.24
2011	0.50	2.47	2.97
2012	1	2.47	3.47
2013	1	2.57	3.57
2014	1	2.565	3.57
2015	1	2.4867	3.49

There City tax rate is a general rate with no seperate components.

Source - County Tax Assessor

** Levied on County property within the City

Per \$100 of Assessed Valuation

There are no components of the City direct rate.

CITY OF LA VERGNE, TENNESSEE

**Revenue Capacity Information
Principal Property Taxpayers, Current Year and Nine Years Ago**

Schedule 7

<u>Taxpayer</u>	2015			2006		
	Taxable Assessed Value	Rank	Percent of Total Assessed Value	Taxable Assessed Value	Rank	Percent of Total Assessed Value
Bridgestone Tire Manufacturing	\$36,376,675	1	4.55%	\$22,470,920	1	4.28%
Bridgestone USA	14,536,000	2	1.82%	-		-
JPMCC	9,941,000	3	1.24%	-		-
Warehouse Holdings Inc	7,588,800	4	0.95%	6,551,880	4	1.25%
Mid South Building I	7,046,400	5	0.88%	-		-
DCT Mid South LLC	6,711,800	6	0.84%	6,497,040	6	1.24%
Baptist Hospital Systems	6,674,500	7	0.83%	6,531,720	5	1.24%
Borders General	6,610,800	8	0.83%	-		-
Ajax Turner	6,341,200	9	0.79%	-		-
Mid South Building IV REIT	6,168,400	10	0.77%	-		-
Ozburn Hessey Storage Co.	-		-	18,099,560	2	3.45%
US Industrial REIT	-		-	9,663,840	3	1.84%
Cinram	-		-	6,491,600	7	1.24%
Church Street Partnership	-		-	6,012,760	8	1.15%
Ozburn Properties	-		-	5,746,640	9	1.09%
New Sanford Road Corporation	-		-	5,545,200	10	1.06%
Totals	<u>\$107,995,575</u>		<u>13.50%</u>	<u>\$93,611,160</u>		<u>17.83%</u>
Total Assessed Value	<u>\$800,109,300</u>			<u>\$525,009,400</u>		

Source: Laverne tax records

CITY OF LA VERGNE, TENNESSEE

Property Tax Levies and Collections, Last Ten Fiscal Years

Schedule 8

Fiscal Year	Total Tax Levy	Current Tax Collections	Percent Collected	Delinquent Tax Collections	Total Collections	Total Collected as Percent of Current Levy	Outstanding Delinquent Taxes	Outstanding Delinquent Taxes as Percent of Levy
2006	\$2,625,047	2,547,182	97.034%	73,218	2,620,400	99.823%	\$4,647	0.177%
2007	3,148,478	3,052,618	96.955%	89,195	3,141,813	99.788%	6,665	0.212%
2008	3,321,579	3,219,605	96.930%	94,261	3,313,866	99.768%	7,713	0.232%
2009	3,633,870	3,515,028	96.730%	97,053	3,612,081	99.400%	21,789	0.600%
2010	3,733,868	3,566,352	95.514%	125,427	3,691,779	98.873%	42,089	1.127%
2011	4,034,119	3,928,572	97.384%	82,561	4,011,133	99.430%	22,986	0.570%
2012	7,855,325	7,477,680	95.192%	342,038	7,819,718	99.547%	35,607	0.453%
2013	7,721,206	7,463,545	96.663%	223,066	7,686,611	99.552%	34,595	0.448%
2014	7,884,426	7,739,694	98.164%	42,716	7,782,410	98.706%	102,016	1.294%
2015	8,001,093	7,852,527	98.143%	-	7,852,527	98.143%	148,566	1.857%
							<u>\$426,673</u>	

Taxes are assessed as of January 1 and due on October 1 each year.

Taxes become delinquent on February 28 of the following year.

Source - City tax rolls

CITY OF LA VERGNE, TENNESSEE

**Debt Capacity Information
Ratios of Outstanding Debt and Other Obligations by Type, Last Fiscal Ten Years**

Schedule 9

Fiscal Year	Population *	Governmental Activities				Business-type Activities		Percent of Personal Income**	Debt Per Capita
		General Obligation Bonds	Capital Outlay Notes & Other Obligations	Capital Leases	Total	Water and Sewer Bonds	Total Primary Government		
2006	25,278	\$13,251,651	-	-	13,251,651	20,233,711	33,485,362	4.19%	1,325
2007	26,000	12,428,685	-	-	12,428,685	18,710,444	31,139,129	3.90%	1,198
2008	26,427	11,575,719	-	-	11,575,719	17,142,719	28,718,438	3.67%	1,087
2009	26,427	14,834,150	-	-	14,834,150	15,633,913	30,468,063	4.88%	1,153
2010	26,427	14,032,762	-	1,003,896	15,036,658	14,710,648	29,747,306	4.62%	1,126
2011	32,588	13,176,374	-	1,138,618	14,314,992	13,737,382	28,052,374	3.71%	861
2012	32,588	12,274,986	990,000	1,021,119	14,286,105	12,729,116	27,015,221	3.58%	829
2013	34,703	11,343,598	748,542	1,323,220	13,415,360	24,447,944	37,863,304	5.03%	1,091
2014	35,482	10,387,210	2,094,009	2,716,039	15,197,258	23,319,529	38,516,787	4.92%	1,086
2015	36,242	15,630,946	1,844,517	2,247,537	19,723,000	22,285,312	42,008,312	5.33%	1,159

Notes:

Details of the City's debt can be found in the Note 5 in the current financial statements.

* Based on Rutherford County Chamber of Commerce estimates except in years when census taken.

** See schedule 14 for personal income information. Most recent information available from state and business organizations are used.

Above amounts include bond premiums

CITY OF LA VERGNE, TENNESSEE

**Debt Capacity Information
Ratios of General Obligation Debt Outstanding, Last Ten Years**

Schedule 10

<u>Fiscal Year</u>	<u>Population</u>	<u>Estimated Actual Value</u>	<u>General Obligation Debts</u>	<u>Ratio of General Obligation Debt to Actual Value of Property</u>	<u>Net General Obligation Debt Per Capita</u>
2006	25,278	1,817,341,914	13,251,651	0.73%	524
2007	25,278	2,154,187,119	12,428,685	0.58%	492
2008	26,427	2,270,665,268	11,575,719	0.51%	438
2009	26,427	2,399,724,960	14,834,150	0.62%	561
2010	26,427	2,432,213,382	15,036,658	0.62%	569
2011	32,588	2,631,806,696	14,314,992	0.54%	439
2012	32,588	2,539,717,864	14,286,105	0.56%	438
2013	34,703	2,615,002,831	13,415,360	0.51%	387
2014	35,482	2,606,072,997	15,197,258	0.58%	428
2015	36,242	2,672,156,797	19,723,000	0.74%	544

Note: Details regarding the City's debt can be found in Note 5 to the current financial statements.
See Schedule 5 for City's property value data.
The above debt includes capital leases.

CITY OF LA VERGNE, TENNESSEE

**Debt Capacity Information
Direct and Overlapping Governmental Activities Debt**

Schedule 11

<u>Jurisdiction</u>	<u>General Obligation Debt Outstanding</u>	<u>Percentage Applicable to City*</u>	<u>Amount Applicable to City*</u>
City of Laverne	\$19,723,000	100.00%	\$19,723,000
Rutherford County	327,507,431	12.76% *	41,782,614
Total	<u>\$347,230,431</u>		<u>\$61,505,614</u>

* Based upon Assessed Value of Property in:

County	\$ 6,271,549,702
City	\$ 800,109,300

From County Finance Department

CITY OF LA VERGNE, TENNESSEE

**Debt Capacity Information
Debt Margin Information, Last Ten Years**

Schedule 12

Fiscal Year	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>	<u>2010</u>	<u>2009</u>	<u>2008</u>	<u>2007</u>	<u>2006</u>
Assessed Value	\$800,109,300	788,414,753	776,971,510	785,532,500	806,823,800	746,773,600	726,774,000	664,315,800	629,695,600	525,009,400
General Obligation Debt	19,723,000	15,197,258	13,415,360	14,286,105	14,314,992	15,036,658	14,834,150	11,575,719	12,428,685	13,251,651
Debt as % of Assessed Value	2.47%	1.93%	1.73%	1.82%	1.77%	2.01%	2.04%	1.74%	1.97%	2.52%

Note - The City has no legal debt limit.

CITY OF LA VERGNE, TENNESSEE

**Debt Capacity Information
Pledged - Revenue Coverage, Last Ten Years**

**Schedule 13
Water and Sewer Enterprise Fund**

Fiscal Year	Gross Revenues*	Direct** Operating Expense	Net Revenue Available for Debt Service	Debt Service Requirements			Coverage
				Principal	Interest	Total	
2006	\$6,241,957	3,853,811	2,388,146	1,130,000 ***	763,277	1,893,277	1.26
2007	6,931,137	4,155,182	2,775,955	1,520,000	738,019	2,258,019	1.23
2008	6,805,945	4,659,337	2,146,608	1,565,000	703,290	2,268,290	0.95
2009	6,360,126	5,926,997	433,129	1,505,000	696,287	2,201,287	0.20
2010	6,248,100	5,599,175	648,925	920,000	649,557	1,569,557	0.41
2011	6,825,070	6,460,818	364,252	970,000	613,360	1,583,360	0.23
2012	9,451,588	5,507,618	3,943,970	1,005,000	575,317	1,580,317	2.50
2013	9,693,575	6,309,180	3,384,395	1,060,000 ***	601,724	1,661,724	2.04
2014	10,565,734	6,260,321	4,305,413	1,120,000	661,951	1,781,951	2.42
2015	10,890,174	6,272,450	4,617,724	1,240,000 ***	673,870	1,913,870	2.41

* Includes nonoperating revenues

** Net of depreciation and amortization

*** Excludes refunding

CITY OF LA VERGNE, TENNESSEE

Demographic and Economic Information Demographic and Economic Statistics, Last Ten Years

Schedule 14

Year	Population *	Personal Income ****	Per Capita Income***	Median Age***	School Enrollment**	Unemployment Rate***
2006	25,278	\$799,396,000	\$27,910	31.2	5,524	4.5%
2007	26,000	799,396,000	30,746	31.2	5,747	4.5%
2008	26,247	781,740,648	29,784	32.1	5,748	6.4%
2009	26,427	623,809,335	23,605	31.7	5,840	11.1%
2010	26,427	644,395,968	24,384	32.9	6,020	8.6%
2011	32,588	755,129,136	23,172	31.2	5,973	8.2%
2012	32,588	755,129,136	23,172	31.2	6,108	7.0%
2013	34,703	752,673,367	21,689	31.2	6,160	7.2%
2014	35,482	782,378,100	22,050	32.2	6,759	5.6%
2015	36,242	787,719,870	21,735	32.2	6,066	5.2%

* Based on City's Planning Department estimates except years in years when census taken.

** Rutherford County Board of Education

*** Rutherford County Chamber of Commerce and City, County and State Planning Offices.

**** Per capita income times population

CITY OF LA VERGNE, TENNESSEE

**Demographic and Economic Information
Principal Employers, Current Year and Nine Years Ago**

Schedule 15

Employer	2015			2006		
	Employees	Rank	Percentage	Employees	Rank	Percentage
Ingram Distribution Group	1,500	1	29.01%	1,913	1	24.77%
Bridgestone/Firestone	1,010	2	19.54%	1,873	2	24.25%
Venture Express	500	3	9.67%	-	-	-
Saks	454	4	8.78%	-	-	-
Schneider Electric	426	5	8.24%	-	-	-
Cardinal Health	300	6	5.80%	-	-	-
Parthenon Metal Works	250	7	4.84%	-	-	-
Ajax Turner	250	8	4.84%	-	-	-
Quality Industries	240	9	4.64%	-	-	-
SVP Worldwide	240	10	4.64%	-	-	-
Cinram	-	-	-	1,125	3	14.57%
Whirlpool	-	-	-	850	4	11.01%
Border	-	-	-	850	5	11.01%
Teledyne	-	-	-	450	6	5.83%
Coats Co.	-	-	-	400	7	5.18%
Arrow Industries	-	-	-	102	8	1.32%
Bandit Lites	-	-	-	80	9	1.04%
Celistica	-	-	-	80	10	1.04%
	<u>5,170</u>		<u>100.00%</u>	<u>7,723</u>		<u>100.00%</u>

Note: Total employment for the city was not available.

Source: Rutherford Chamber of Commerce

CITY OF LA VERGNE, TENNESSEE

Operating Information Full-time Equivalent Town Government Employees by Function, Last Ten Fiscal Years

Schedule 16

Function	Full-time Equivalent Employees as of June 30									
	2015	2014	2013	2012	2011	2010	2009	2008	2007	2006
General government:										
Management services	15	15	15	17	16	14	14	15	14	14
Finance	6	6	6	6	6	6	6	6	6	6
Planning and engineering	5	5	5	5	5	5	5	5	5	5
Codes	6	6	6	5	5	5	5	9	9	9
Other	0	0	0	1	1	1	1	1	1	1
Public Safety:										
Police										
Officers	53	55	55	51	47	47	47	47	44	44
Civilians	18	17	16	18	18	18	18	18	18	17
Fire *	39	39	0	0	0	0	1	1	1	1
Highways and streets/stormwater	17	17	17	16	15	15	15	14	13	13
Recreation	16	16	16	14	14	14	14	16	14	15
Library	6	6	6	7	8	8	8	8	8	11
Water and Sewer	27	29	29	29	29	29	28	28	28	36
Total	208	211	171	169	164	162	162	168	161	172

Source: City budget document.

* Fire service was contracted out prior to 2014.

CITY OF LA VERGNE, TENNESSEE

**Operating Information
Operating Indicators by Function/Program, Last Ten Fiscal Years**

Schedule 17

	Fiscal Year									
	2015	2014	2013	2012	2011	2010	2009	2008	2007	2006
General Government:										
Codes										
Building permits issued	62	48	75	72	81	115	126	249	475	612
Public Safety:										
Police										
Calls *	27,389	30,500	34,069	30,116	34,482	37,709	43,010	52,661	30,474	28,240
Physical arrests *	872	2,105	2,000	1,609	1,786	1,646	1,598	1,910	1,739	1,837
Citations issued *	3,598	8,476	11,402	10,134	11,697	16,458	13,250	19,654	11,439	13,159
Fire (Subcontracted until 2014)										
Emergency responses	2,822	3,186	1,027	894	775	827	794	816	784	801
Recreation (participants)										
Leagues	4,695	5,000	6,340	1,961	2,220	3,100	3,060	1,559	3,250	3,447
Facility rentals	25,345	17,530	15,884	17,132	17,293	18,615	17,648	18,207	14,209	12,265
Programs	3,838	5,421	7,790	10,773	7,672	4,873	5,032	5,370	7,912	7,256
Special events	7,925	3,645	3,256	3,275	6,770	3,263	2,754	2,438	2,076	1,925
Summer camp	115	345	885	896	1,185	122	132	207	236	260
Community clean-up	0	0	0	60	55	43	78	78	80	75
Senior citizens Participants)	6,490	5,826	7,419	5,878	5,739	6,034	5,291	5,494	5,900	6,758
Library										
Attendance	104,236	104,359	110,818	115,829	130,714	137,070	129,430	118,120	121,660	114,422
Items checked out	105,822	109,570	116,352	127,155	154,635	156,179	153,556	141,826	147,040	156,173
New cards issued	1,488	2,128	2,347	2,422	2,845	3,221	3,451	3,304	3,911	4,002
Water and Sewer										
Customers	11,992	11,608	11,593	11,270	11,255	11,217	11,110	11,059	11,069	10,317
Average daily consumption	1,944,372	1,914,362	2,144,876	2,091,002	2,593,055	2,474,724	2,398,248	2,451,267	2,634,438	2,025,419

Sources: City departments

N/A Information not available.

* New computer system in 2015 and all information was not captured

CITY OF LA VERGNE, TENNESSEE

**Operating Information
Capital Assets Statistics by Function/Program, Last Ten Fiscal Years**

Schedule 18

	Fiscal Year									
	2015	2014	2013	2012	2011	2010	2009	2008	2007	2006
General Government:										
Autos and trucks	14	14	14	14	14	14	14	17	16	16
Public Safety:										
Police										
Stations	2	2	2	2	2	2	2	1	1	1
Vehicles, motorcycles, and boats	74	74	92	87	61	65	74	79	72	68
Fire (Subcontracted)										
Stations	3	3	3	3	3	3	3	3	3	3
Fire trucks	10	4	4	7	7	7	7	7	7	7
Autos and trucks	5	5	5	2	2	2	2	2	2	2
Hydrants	1336	1325	1325	1300	1300	1300	1300	1300	1300	1150
Highways and streets										
Autos and trucks	11	10	11	13	11	11	12	17	15	15
Streets (miles)	178	178	178	178	178	480	178	175	175	175
Streets lights	495	495	490	487	485	480	476	470	468	465
Traffic signals	138	138	138	138	137	136	136	136	135	132
Recreation										
Autos and trucks	10	10	10	12	12	13	13	10	9	8
Parks	6	6	6	6	6	6	6	6	5	4
Picnic shelters	4	4	4	4	4	4	4	4	4	4
Tennis courts	2	2	2	2	2	2	2	2	2	2
In-line hockey rink	1	1	1	1	1	1	1	1	1	1
Baseball fields	8	8	8	8	8	8	8	8	8	8
Football fields	1	1	1	1	1	1	1	1	1	1
Softball fields	1	1	1	1	1	1	1	1	1	1
Playgrounds	4	4	3	3	3	3	3	3	3	3
Library										
Autos and trucks	0	0	0	0	0	1	1	1	1	1
Water										
Water mains (miles)	98	98	98	98	98	98	98	98	98	98
Storage capacity (million gallons)	5	5	5	5	5	5	5	5	5	5
Storage facilities	4	4	4	4	4	4	4	4	4	4
Production capacity (million gallon:	9.8	9.8	9.8	9.8	9.8	9.8	9.8	9.8	9.8	9.8
Autos and trucks (water&sewer)	33	30	35	34	32	33	34	30	33	31

N/A Information not available.

Note: Capital asset statistics will be continued to be updated and added to.

OTHER REPORTS

YEARY, HOWELL & ASSOCIATES

Certified Public Accountants

501 EAST IRIS DRIVE
NASHVILLE, TN 37204-3109

HUBERT E. (BUDDY) YEARY
GREGORY V. HOWELL

(615) 385-1008
FAX (615) 385-1208

INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS

Honorable Mayor and the Board of Aldermen
La Vergne, Tennessee

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in Government Auditing Standards issued by the Comptroller General of the United States, the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of City of La Vergne, Tennessee, as of and for the year ended June 30, 2015, and the related notes to the financial statements, which collectively comprise City of La Vergne, Tennessee's basic financial statements, and have issued our report thereon dated October 16, 2015.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered City of La Vergne, Tennessee's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of City of La Vergne, Tennessee's internal control. Accordingly, we do not express an opinion on the effectiveness of City of La Vergne, Tennessee's internal control.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or, significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether City of La Vergne, Tennessee's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that is required to be reported under *Government Auditing Standards*.

We noted certain other matters that were reported to management in a separate letter dated October 16, 2015.

Honorable Mayor and the Board of Aldermen
City of La Vergne, Tennessee

City of La Vergne's Response to Findings

The City of La Vergne's response to findings identified in our audit is described in the accompanying schedule of findings and responses. The City of La Vergne, Tennessee's response was not subjected to the auditing procedures applied in the audit of the financial statements, and accordingly, we express no opinion on it.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with Government Auditing Standards in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

A handwritten signature in cursive script that reads "Yeung Howell & Associates".

October 16, 2015

CITY OF LA VERGNE, TENNESSEE

Schedule of Findings and Responses

June 30, 2015

Prior Year

- 14-01 During the 2014 fiscal year, the State of Tennessee presented the City with a claim for reimbursable costs related to improvements to City roads. The projects were administered by the State and the major costs related to a road project completed in the current fiscal year. The claimed costs significantly exceeded amounts initially projected and communicated to the City. These claimed reimbursable costs have resulted in the expenditures of the Capital Projects Fund to exceed appropriations by \$724,848. The State has experienced computer problems which contributed to the City not being notified of these costs on a more timely basis.

Response: The City was not aware of these potential costs in time to include them in the original current year budget and has not received full documentation of the costs from the State. We are reviewing the claims and have requested additional documentation from the State to explain the additional costs. After final review, the City expects to authorize the payment of the determined amount beginning in fiscal year 2016.

Status: Resolved.

Current Year

None.